



UBE Transform
Tomorrow
Today

UBE Corporation
Integrated Report **2025**

Philosophical Framework

Founding Principles

"Coexistence and mutual prosperity"

"From finite mining to infinite industry"

Corporate Philosophy

Pursue technology and embrace innovation to create value for the future and contribute to social progress.

Management Principles

1.Ethics

Be highly ethical, comply with laws and regulations, and respect social norms

2.Safety and Security

Work to conserve the global environment and practice safe, secure manufacturing

3.Quality

Deliver quality that earns the trust of customers and society

4.People

Respect individuality and diversity, and build healthy and comfortable workplaces

Purpose

Breaking Through with the Chemistry of Hope.

Slogan for Transformation

Facing the Challenges of an Uncharted Future.

UBE Transform
Tomorrow
Today

Integrated Report Key Points and Content

UBE Corporation Integrated Report 2025

UBE Integrated Report 2025 focuses on the strategies and objectives of the new medium-term management plan, UBE Vision 2030 Transformation — 2nd Stage, announced in 2025, and outlines our growth story for the future.

1. Growth of specialty businesses

- Accelerate growth of existing businesses: Expand production capacity for polyimide, separation membranes, ceramics, etc.
- Launch new businesses and create synergies: Achieve early contribution to earnings from U.S. DMC & EMC operations and urethane systems
- Acquire new businesses: Through R&D and M&A (adjacent to existing businesses and with startups)

2. Structural reform of ammonia, caprolactam, and nylon polymers

- Make progress in lowering earnings volatility, reduce greenhouse gas (GHG) emissions

3. Public listing of the machinery and cement-related businesses: Aimed for the medium-term period as the final stage of their independence

4. Advancement of sustainability management

- Develop human resources, address global environmental issues, and enhance governance and internal controls

5. Capital policy

- Maintain financial discipline, target DOE of 2.5% or higher (aiming for progressive dividends)

Through our new medium-term management plan, which includes DX and drive for global growth, we are aiming to fulfill our Vision 2030 to be “A specialty chemicals company that contributes to the global environment, human health, and an enriched future society.”

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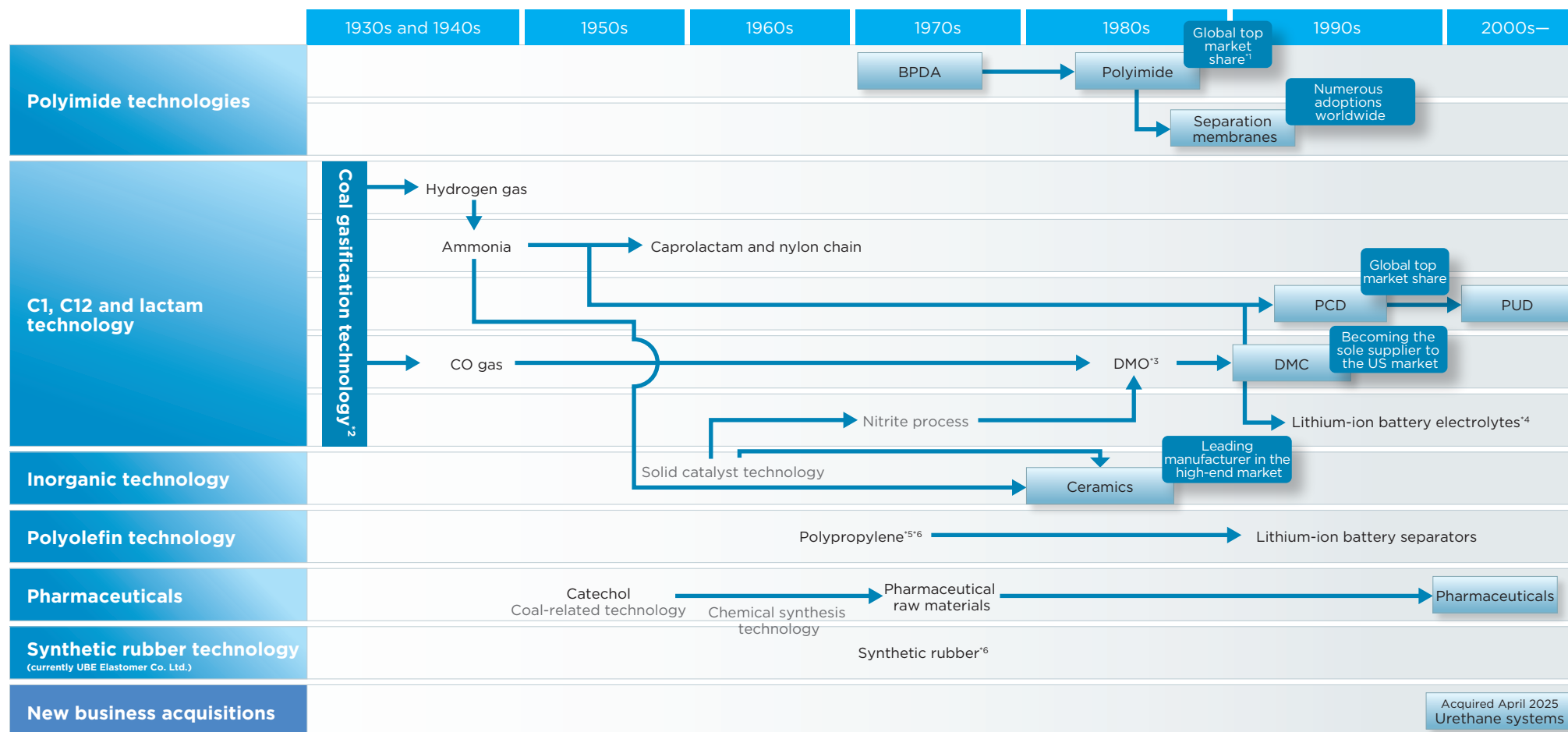
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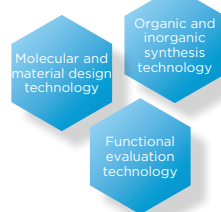
UBE Group Strengths

We have a long history innovating unique technologies and delivering products and solutions tailored to diverse needs.



*1 COF application for LCDs *2 Currently using petroleum coke *3 Currently withdrawn from the business *4 Currently manufactured by equity-method affiliate MU Ionic Solutions Corp. *5 Currently procured externally *6 Technology introduced

UBE technology



We have cultivated a vast palette of proprietary technologies, including polyimide and C1 technologies, over our 120-year history. Today, we are using our unique technologies to provide solutions for society.

UBE Group assets

Employees
(As of end-March 2025)

7,563



Major global operating sites

4 sites

(Japan, Asia, Europe, Americas)



Number of patents
(As of end-March 2025)

2,937



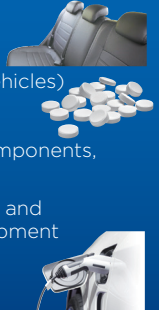
R&D expenditure
(FY2024 results)

¥9.9 billion



UBE Group Strengths

We are optimizing our business portfolio to evolve and expand the specialty business as we continue our business growth.

		Core products	Major applications
Specialty businesses	High profitability, high growth	• Polyimide • Separation membranes • Ceramics 	» Chip-on-film (COF) for large displays, flexible OLED substrates for smartphones and other devices » Biofuel (biomethane) refining » Bearings, heat-dissipation substrates (for electric vehicles) 
	Strategic expansion	• Phenolic resin • Semiconductor gases • Separators • High-performance coatings • Urethane systems • Pharmaceuticals • C1 chemicals • High-purity chemicals for semiconductors 	» Semiconductor sealing materials » Semiconductor etching gases » Lithium-ion battery separators (for electric vehicles) » Synthetic leather, water-based coatings » Semiconductor manufacturing equipment components, mining machinery, gas pipelines » Drug discovery research, API/drug substance and intermediates manufacturing, process development » Lithium-ion battery electrolytes » Semiconductor cleaning solutions 
	Stable earnings, high cash flow	• Elastomers • Polyethylene films 	» Automobile tires » Household-use wraps, industrial materials 
Restructuring businesses		• Nylon polymers • Composites • Caprolactam and ammonium sulfate • Industrial chemicals • Processed resin products 	» Food packaging film » Automotive components and materials » Nylon fiber for apparel, fertilizer » Raw materials for chemical products » Digital and data technology products 

Specialty businesses

Businesses that create added value based on the UBE Group's technological capabilities and strengths in the value chain, achieving high profitability. The Group aims to further grow and expand these businesses going forward.

We aim to expand worldwide earnings by focusing on polyimides, separation membranes, ceramics, pharmaceuticals, C1 chemicals, and the recently acquired urethane systems business.

Restructuring businesses

Businesses with low ROS and ROIC that require fundamental streamlining and restructuring. The Group will implement comprehensive measures to restore profitability, including rigorous cost reductions and price adjustments, with the goal of transitioning these businesses into specialty businesses. Businesses that fail to improve profitability despite these measures will be downsized or exited.

FY2030
plan

Net sales

¥ 550.0 billion

Balance of specialty businesses and
restructuring businesses

Specialty businesses 75% Restructuring business 25%

Operating profit

¥ 60.0 billion

Balance of specialty businesses and
restructuring businesses

Specialty businesses 85% Restructuring business 15%

UBE Group History

The UBE Group uses distinctive technological capabilities to provide the social value needed in today's world.

Polyimides key to advancing electronic devices

In the 1970s, we succeeded in synthesizing the polyimide raw material BPDA, and in the 1980s became the world's second company to industrially produce polyimide films. Known for their outstanding heat resistance and strength, our films are widely used in IC mounting boards for liquid crystal displays and as substrates for OLED displays in smartphones, contributing to the advancement of electronic device technologies.



Separation membranes key to contributing to a sustainable society

We started the manufacture of separation membranes using our polyimides in the 1980s and have developed a wide range of gas-separation applications, including for nitrogen enrichment and hydrogen separation.

In recent years, we have been contributing to a sustainable society by supplying carbon dioxide separation membranes that remove carbon dioxide from biogas generated from livestock excrement and other waste materials and concentrate it as biomethane, a renewable energy source.



Pharmaceuticals supporting healthy, flourishing lifestyles

The pharmaceuticals business grew out of the UBE Group's strength in organic chemical synthesis and has been engaged in full-fledged research since the 1980s. The business advances the life sciences through drug discovery and in-house products, CDMO operations supporting advances in drug development processes and manufacturing, and exploration of cell culture and other emerging fields.



1897

Okinoyama Coal Mine (silent partnership)

1914

Ube Shinkawa Iron Works
(silent partnership)

1923

Ube Cement Production, Ltd.

1933

Ube Nitrogen Industry, Ltd.

UBE chemical business begins
following success chemically
synthesizing ammonium
sulfate (fertilizer) from coal



1934
First shipment of ammonium sulfate
Contributing to stabilization of
food production

1942

Merger
Establishment of Ube Industries, Ltd.

Chemicals Business



1980—
Development of
the specialty business
1993—
Realization of a global
production system

Machinery Business

Cement-related
Business

UBE Group History

Ceramics enabling automobile electrification

Our ceramics manufacturing and sales operations, which began in the 1980s, currently provide materials used in bearings for electric vehicle motors and insulating heat-dissipation substrates for power semiconductors.



C1 chemicals for electric vehicles and urethane systems for a wide range of industries

We began producing dimethyl carbonate (DMC) in the 1990s and are now building a new North America factory, scheduled to start operations in the second half of fiscal 2026, to expand capacity and further support the electric vehicle industry. We are also creating synergies with urethane systems, acquired in 2025, to grow our business beyond the United States.



1999

UBE UBE MACHINERY CORPORATION, Ltd.
(Spin off)

2022

UBE / UBE Corporation
(Business name changed)

UBE / UBE MACHINERY CORPORATION, LTD.

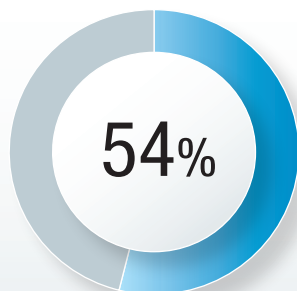
MUCC Mitsubishi UBE Cement Corporation
(Spin off)

2025

Announced commencement of preparations for listing shares on the Tokyo Stock Exchange

UBE Industries
Cement-related business
+
Mitsubishi Materials Corporation
Cement-related business
50% equity method affiliates

Overseas sales percentage (Fiscal 2024)



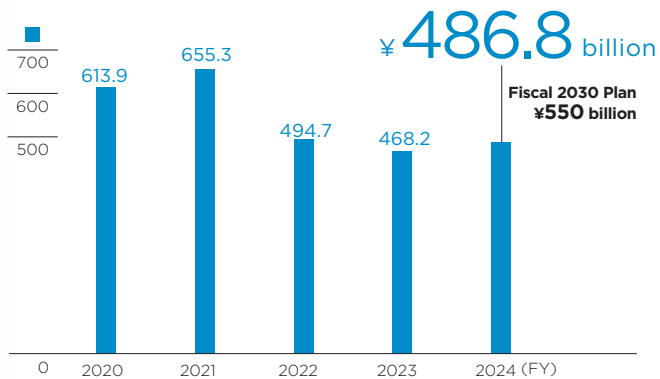
Europe
13%

Asia
28%

Other
12%

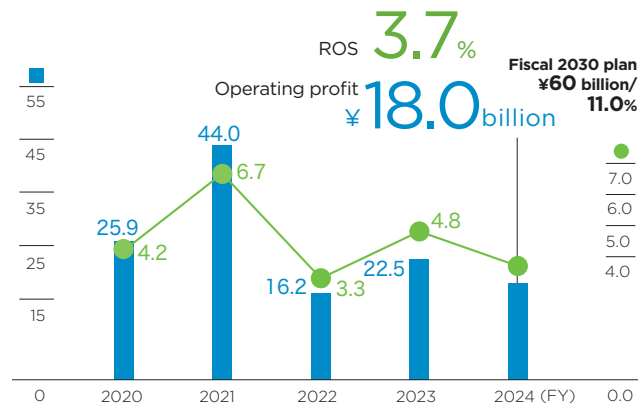
Financial Highlights

Net sales



Net sales increased by 4.0% from the previous fiscal year, reflecting rising product price of elastomers resulting from the market price rises of a raw material and sales recovery of nylon polymers, caprolactam, ammonium sulfate, etc. in the overseas market in the Polymers & Chemicals Segment.

Operating profit / ROS



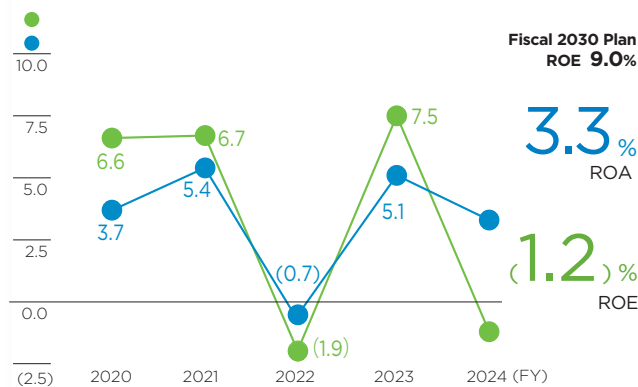
Operating profit declined 19.6% due to sluggish sales of polyimide for some applications in the Specialty Products segment, regularly scheduled biannual maintenance of the ammonia plant in the Polymers & Chemicals segment, and expenses associated with the acquisition of the urethane systems business from LANXESS Deutschland GmbH. The return on sales (ROS) decreased 1.1 percentage points to 3.7%.

Net income (loss) per share



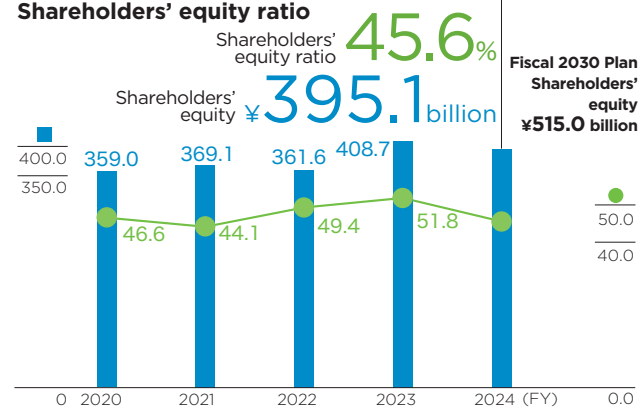
Net income per share amounted to a loss of ¥49.60, down from a net profit of ¥298.59 a year earlier. In addition to the lower operating profit, the Company recorded an equity-method investment loss upon the resolution to dissolve an equity-method affiliate in the elastomers business, and recorded an extraordinary loss upon the decision to restructure the ammonia, caprolactam, and nylon polymer operations.

ROE / ROA^{*1}



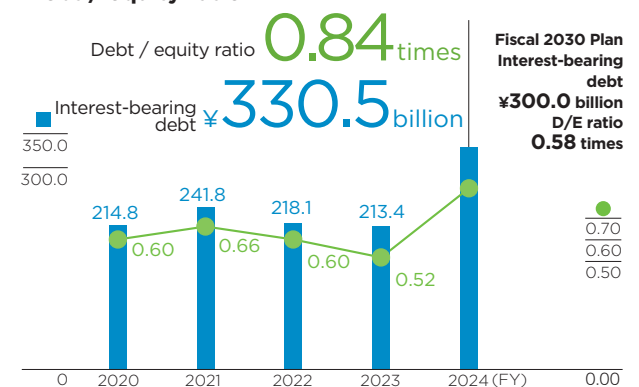
Return on equity (ROE) was negative 1.2%, compared with 7.5% in the previous fiscal year. Return on assets (ROA) was 3.3%, compared with 5.1% last year.

Shareholders' equity^{*2} Shareholders' equity ratio



Shareholders' equity decreased by 3.3% from the previous fiscal year. The shareholders' equity ratio decreased 6.2 percentage points to 45.6%.

Interest-bearing debt Debt / equity ratio

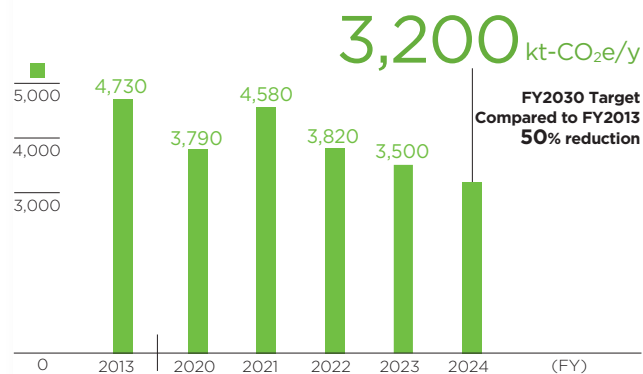


Interest-bearing debt increased by 54.9% from the previous fiscal year owing to the procurement of financing for growth investments. This raised the debt/equity ratio by 0.32 percentage point to 0.84 times.

^{*1} ROA = (Operating profit + Interest and dividend income + Share of profit of entities accounted for using equity method) / Average total assets ^{*2} Shareholders' equity = Net assets - Share subscription rights - Non-controlling interests

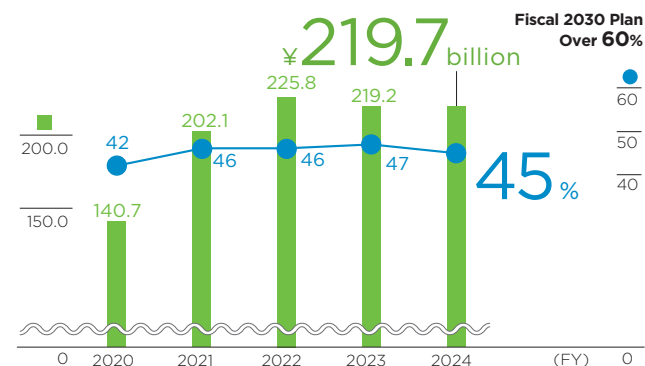
Non-financial Highlights

GHG emissions^{*1}



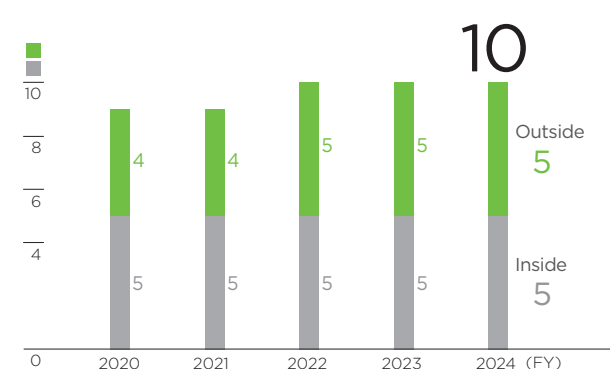
GHG emissions decreased 9% from the previous fiscal year and 32% compared to fiscal year 2013. Please note that fiscal 2024 figures are subject to change following third-party verification.

Percentage of environmentally friendly products and technology in consolidated net sales^{*1}



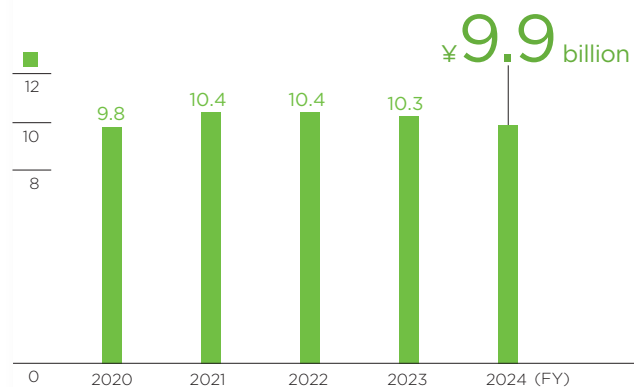
Consolidated net sales of environmentally friendly products and technologies increased slightly from the previous fiscal year. However, their share of total sales decreased by 2 percentage points to 45%.

Number of directors



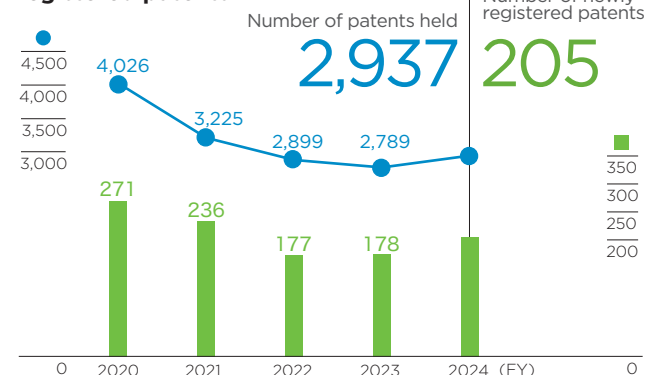
The number of directors was unchanged, at 10. Outside directors again accounted for half of the Board of Directors, and included a female director.

R&D expenses^{*1}



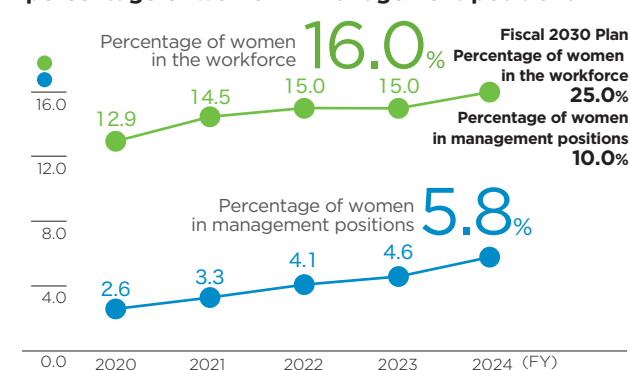
R&D expenses were maintained at a certain level.

Number of patents held^{*1} *2 / Number of newly registered patents^{*1} *2



Organizational restructuring in the chemicals business and a patent inventory review have been causing the numbers of held and newly registered patents to decline in recent years. In fiscal 2024, however, the patent numbers rose year-on-year, driven by the acquisition of invention rights in specialty business and patent successions from the former API Corporation.

Percentage of women in the workforce^{*3} / percentage of women in management positions^{*3}



Our ongoing efforts to promote the active participation of women in our company led to the percentage of women in the workforce increasing by 1.0 percentage point to 16.0%, and the percentage of female managers rising by 1.2 percentage points to 5.8%.

^{*1} Figures exclude those for the cement-related business transferred to Mitsubishi UBE Cement Group. ^{*2} Number of patents held by UBE Corporation and some of its Group companies ^{*3} On a consolidated basis in Japan

Message from the CEO

“Breaking Through with the Chemistry of Hope.”

A new purpose and company-wide drive to rise to the forefront of the specialty chemical revolution

Yuki Nishida

President & Representative Director
CEO

Mr. Nishida joined Ube Industries, Ltd. in 1987, starting in the Fine Chemicals Manufacturing Department at the Ube Chemical Factory and later moving to the Development Department of the Chemicals Division and the Business Development Department of the Fine & Industrial Chemicals Business Unit. He was assigned to UBE in Europe in 2000 and returned to Japan in 2005 to lead the sales group, after which he became General Manager of several divisions. He was appointed as an Executive Officer in 2016, served as General Manager of several business divisions, followed by appointments as a Managing Executive Officer in 2019, Senior Managing Executive Officer in 2022, and President in April 2025.



Message from the CEO

Upon my appointment as Company President

While feeling the heavy responsibility of steering the Company through this period of change, I will continue to build on the foundation set by my predecessors to deliver solid results.

It is my honor to address you and introduce myself. I was appointed company president in April 2025 following my previous role as Senior Managing Executive Officer, during which I served as the Assistant to the President and General Manager of DX Promotion Office.

The UBE Group is currently in one of the most transformative phases of its long history. During the three years of the previous medium-term management plan, we resolved to reform our business portfolio and laid the groundwork for evolving into a specialty chemicals company. We are at an inflection point in our transformation, and I am humbled to be leading our management during the period of great change and am determined to build on the solid foundation left by my predecessors to achieve solid results.

As we move into the future with a new corporate structure and the new medium-term management plan, the UBE Group has introduced its new purpose, “Breaking Through with the Chemistry of Hope.” The “Chemistry of Hope” is our business, which is chemistry with the power to break through issues facing society to open the way for a prosperous future. In that way, “Chemistry of Hope” means chemistry that provides hope for humanity.

The increasing environmental concerns around the world in recent years and the constant mentioning of the “negative side” of chemistry related to issues like fossil fuel GHG emissions and microplastic pollution have negatively impacted perceptions of chemistry and have put some strain on our business. However, chemistry also plays a

crucial role in creating functional, eco-friendly materials that benefit society. At UBE, we are developing biomass materials that reduce CO₂ emissions while also supporting recycling efforts that contribute to a circular economy. The UBE Group’s mission is to deliver “Chemistry of Hope” that will break through challenges and promote a sustainable society and our ongoing growth as a company.

Our new purpose statement powerfully communicates our goal and how we aim to achieve it. I believe it will raise expectations outside our company in society and the capital markets and inside our company by motivating our employees to continue building their abilities to create value.

What I see as UBE’s strengths based on my experience

We will achieve the goals of the new medium-term management plan and fulfill our purpose by leveraging our two core strengths of unique technological capabilities and global expansion.

As a specialty chemicals company, the UBE Group can only achieve sustainable growth by differentiating itself from other chemical manufacturers. I asked myself whether UBE has the strengths to do this. Based on my experience, I believe UBE has two key strengths.

The first is our unique technological capabilities. The UBE Group possesses a wealth of proprietary technologies, especially in organic synthesis, and offers a range of materials and products that only we can produce. For example, our nitrite process for synthesizing dimethyl carbonate (DMC), used in lithium-ion battery electrolytes, outperforms other methods in quality, efficiency, and environmental performance. Early in my career, I helped develop this technology and launch the factory. I thought the technology was truly fascinating. We will continue

Message from the CEO

leveraging these strengths to improve both upstream materials and downstream processing and to enhance our ability to meet diverse needs.

Our second strength is our global expansion. In the 1990s, the UBE Group was among the first Japanese chemical manufacturers to enter European and Asian markets, and this history has given us broad experience and expertise, including in governance. My time working in Germany and Spain in the early 2000s remains a great source of inspiration for me. We are presently expanding into North America and pursuing a business acquisition from a German company. We will apply our extensive overseas experience as we continue to build our international presence.

Maximizing these core strengths of our unique technological capabilities and global operations will drive our advances under the new medium-term management plan and give us added momentum for fulfilling our purpose.

The corporate vision of the new medium-term management plan

The second stage to realizing our long-term vision is transforming our portfolio into a specialty chemicals company.

The new medium-term management plan launched in fiscal 2025 is the second stage of the long-term vision “UBE Vision 2030 Transformation” we introduced in 2022. We are transforming our portfolio to fulfill our Vision for 2030 to be “a specialty chemicals company that contributes to the global environment, human health, and an enriched future society.”

Under the previous medium-term plan, we clarified policies to minimize and eliminate production of ammonia, caprolactam, nylon polymers, etc. from our operations and

set the stage, including booking impairment of related fixed assets, for the reforms needed to meet our goals. While we made progress in these areas, unforeseen market changes prevented us from meeting numerical performance targets. Ultimately, the changes we confronted during the plan’s three years gave us a serious look at the scale of the global shifts.

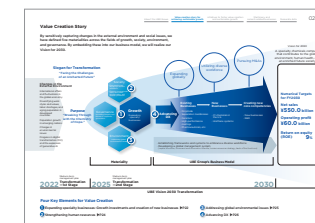
To ensure that we can systematically and consistently implement structural reform in an increasingly uncertain environment, the new plan spans six years through fiscal 2030 and outlines a vision for fiscal 2035–2040. In addition, the new plan defines five issues of materiality.

This focus on the specialty business will make it essential that we both increase the scale of sales and improve the profit margin. We have therefore set numerical targets for fiscal 2030 to raise net sales to ¥550 billion, operating profit to ¥60 billion, and return on equity (ROE) to 9%. From there, during FY2035–2040, we aim to achieve net sales of ¥1 trillion, operating profit of ¥100 billion, and ROE of 10% minimum.

While working toward those targets, we will also be building sustainability management deeper into our organization by revitalizing human resources and addressing global environmental issues. We will also strengthen occupational safety and health, process safety, disaster prevention, and governance.

Digital transformation remains central to our wide-ranging reforms. Digitalization is a means for bringing about the most important part—transformation. The UBE Group is not merely digitalizing processes, we are transforming our entire business through DX across 10 areas from back office processes and plant operations to HR and branding. As head of the DX Promotion Office, I am working to embed a culture that uses DX for continuous, lasting transformation

>Our Value Creation Story p. 21



Message from the CEO



that will enable us to maximize our corporate value.

The aim of these efforts is not only to meet numerical targets but also to boost profitability and improve our price-to-book ratio, which has been a point of concern.

Priority strategy (1) create new specialty businesses **We will foster new core competencies through both organic R&D and inorganic M&A.**

For us to strengthen our specialty business and contribute solutions to customer and social issues, we need to steadily grow our existing businesses, including polyimides, separation membranes, ceramics, and C1 chemicals, while simultaneously creating new businesses. We will do this by generating new value through both organic R&D and inorganic M&A.

We will increase the R&D expenditure from the current level near 2.3% of net sales (excluding the machinery business) to about 4.0%. We will foster new competencies through a combination of forecasting based on our existing businesses and backcasting from our projections for the future.

We are also reorganizing and integrating our R&D structure to make our activities more efficient and effective by redefining the roles of our overall corporate and divisional R&D strategies.

When I was a general manager, I shifted research

and development for existing businesses to the divisional R&D departments to strengthen our ability to advance R&D aimed at specific customer needs. This approach was moderately successful but encouraged the pursuit of short-term objectives. Recognizing that tendency, we have shifted some of the divisional R&D functions over to corporate R&D, which will better enable us to maintain a long-term perspective as we strengthen our R&D capabilities.

We will continue to pursue M&A to acquire advanced technologies by investing in start-up companies and university-led ventures. We will also seek to expand our business domain by incorporating so-called Tier 1 companies that operate closer to final products and end users. We acquired the urethane systems business of German chemical company LANXESS. We will continue actively pursuing M&A opportunities to accelerate our business growth by extending into peripheral areas of our existing businesses as well as into select fields that offer new strategic value.

To strengthen the long-term and strategic focus of our M&A objectives, in April 2025 we established a new M&A governance body, under the direct control of the president, tasked with overseeing and supporting all M&A initiatives. I look forward to being directly engaged in leading our M&A ventures and am committed to formulating and executing a successful growth strategy.

Priority strategy (2) strengthen human resource management

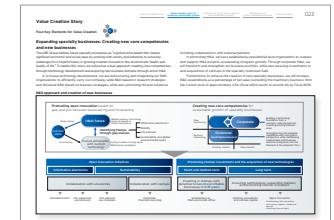
We are comprehensively reforming the HR system to highlight career ownership and DE&I—which are essential to our organizational development.

R&D spending is often seen as a cost, but I view it as an

>Advancing DX
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>Creating new core competencies
and new businesses
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Message from the CEO

investment in human resources that fosters the personal growth of our researchers and moves us closer to fulfilling our vision for the UBE Group's future. Reforming our HR system makes this investment more efficient.

With that in mind, in April 2025 we supplemented the Human Resources Department with a new and separate Talent Strategy Department. The Human Resources Department provides broad support to all employees; the role of the Talent Strategy Department will be to reward employees eager to grow and excel in their careers. This is based on the concept of “career ownership,” where individuals take responsibility for their own advancement and actively drive their career development. We are comprehensively reforming our personnel system to create a structure and environment where each individual employee has the tools and opportunities to maximize their potential.

We are designing an HR system to recognize and empower employees—regardless of their educational background, job position, or work experience—who set personal goals, take initiative, and deliver results. The system will acknowledge achievements and also help identify and provide the conditions needed for employees to advance toward their goals. Every time I speak with employees about this initiative, I see their eyes light up. This reaction reinforces my belief that the new system will be a powerful driver of motivation and engagement.

At the same time, we are strongly emphasizing diversity, equity, and inclusion (DE&I) throughout the Company. A workforce composed of individuals with similar experiences and perspectives has limited capacity to generate new value. The diverse perspectives contributed by employees of different genders, cultures, and nationalities lead to richer dialogue, breakthrough

ideas, and true innovation. We will continue to emphasize DE&I as an essential element for the growth of the UBE Group.

Dialogue with shareholders

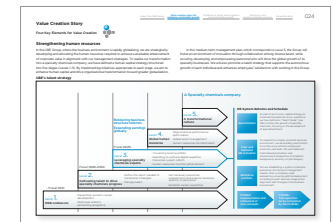
We will actively communicate with shareholders and investors and consider ways to strengthen returns.

We place a high priority on dialogue with shareholders because the understanding from the capital markets is essential to the success of our growth strategies. We always endeavor to provide easy-to-understand information at meetings with domestic and overseas institutional investors and through our Integrated Report and other documents. Our factory tours for shareholders have generated positive feedback, particularly for providing a better understanding of what we do. We are also increasing the information we provide about our non-financial activities to shareholders seeking to learn more about the sustainability of our business.

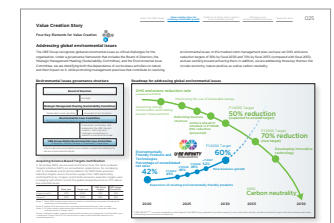
One of the areas we are particularly emphasizing is reporting our performance in areas related to global environmental issues. The UBE Group is implementing environmental measures following international standards with the aim of becoming carbon neutral by 2050. The structural reforms we have decided to implement, including eliminating ammonia production in Japan, have put us on track to halve our GHG emissions compared to fiscal 2013 in fiscal 2028, two years earlier than our fiscal 2030 target date. Given this progress, we have set a subsequent target to lower GHG emissions by 70% by fiscal 2035. Our climate change initiatives also include increasing the percentage of consolidated net sales comprising environmentally friendly



>Human resources strategy
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>Addressing global
environmental issues
p. 25



Message from the CEO

products and technologies to 60% or more by 2030.

We are also taking steps to contribute to a “circular economy” that will support a recycling-oriented society, formulate “nature positive” operations that preserve and restore the natural environment, lower the environmental impact of our business activities, developing and increasing the use of recycled materials, and strongly promoting plastic recycling. These are all aspects of our “Chemistry of Hope” and our determination to help create a sustainable society. We report a wide range of data and the results of our efforts internally and externally.

The new medium-term management plan sets a basic policy of stable dividend payout and progressive dividends as part of shareholder returns. The plan sets a minimum dividend on equity (DOE) ratio of 2.5%, which we intend to raise in the plan’s final three years in accordance with our earnings performance.

Machinery and cement-related businesses

We plan to list the shares during the new medium-term management plan.

We have announced that 100% consolidated subsidiary UBE MACHINERY and 50% equity-method affiliate Mitsubishi UBE Cement have begun preparations to publicly list their shares before the new medium-term management plan is complete in 2030. Both operations have contributed significantly to the Group’s corporate value, and we have determined that they would be best positioned to continue building their own value if they developed and grew independently. We will keep stakeholders fully informed of their status as the preparations for listing proceed.

Our message and our commitment

We are committed to instilling a company-wide attitude of forging our own path and persevering to the end.

Throughout my career, I have prioritized speed, and that will remain a key focus while I am company president. When providing materials or samples to customers, we will not wait to attain perfection but will instead deliver products as soon as they achieve a satisfactory performance level. We want our customers to be more impressed by our speed than they would be if they waited for perfection. Early delivery also allows us to gather feedback sooner, helping us refine the product more quickly and ultimately achieving perfection faster.

I also believe we should never set limits on ourselves. Many times, I’ve faced challenges that seemed impossible, only to discover solutions through talking with others. When we hit a wall, our first instinct should be to seek input from those around us. This mindset combined with our speed will enable us to break through even the toughest obstacles.

This perspective is inspired by the phrase “the path is what you leave behind you,” the title of a book by Eiji Munakata, a pioneer in industrial chemistry. The culture of the UBE Group is similar in that we are forging our own way forward, like samurai that have banded together to create technologies unlike any other company.

I am committed to embodying this spirit in myself and to instilling it throughout our Company, so that together we can fulfill our vision and achieve the goals of the new medium-term management plan.

Message from the CFO

We will accelerate the transformation of our business portfolio into a specialty chemicals company while ensuring financial soundness and increasing corporate value.

Hiroataka Ishikawa

Representative Director
Managing Executive Officer
CFO, CRO



Major financial highlights

(Unit: Billions of yen)

	FY2022 Results	FY2023 Results	FY2024 Results	FY2024 Original Target	FY2024 Results vs Original Target
Net sales	494.7	468.2	486.8	520.0	(33.2)
Operating profit	16.2	22.5	18.0	40.0	(22.0)
Specialty businesses	18.3	18.6	16.3	24.0	(7.7)
Basic businesses	(3.4)	0.1	(0.1)	15.5	(15.6)
Ordinary profit (loss)	(8.7)	36.3	22.4	47.0	(24.6)
Equity method investment gain (loss) in the Mitsubishi UBE Cement Group	(24.6)	13.0	15.6	8.0*	7.6
Extraordinary income (loss)	6.1	(1.3)	(33.3)	(2.5)	(30.8)
Profit attributable to owners of parent	(7.0)	29.0	(4.8)	33.0	(37.8)
Interest-bearing liabilities	218.1	213.4	330.5	189.0	141.5
Shareholders' equity	361.6	408.7	395.1	424.0	(28.9)
D/E ratio (times)	0.60	0.52	0.84	0.45	0.39
Return on sales (ROS) (%)	3.3	4.8	3.7	8	(4.3)
Return on equity (ROE) (%)	(1.9)	7.5	(1.2)	8	(9.2)
Return on invested capital (ROIC) (%)	(2.0)	4.7	3.0	(Reference) 6	(3.0)

* Provisional figure assumed prior to launch of the Mitsubishi UBE Cement Group

My role as CFO

The UBE Group is currently undergoing a major transformation. During the three years of the previous medium-term management plan, UBE Vision 2030 Transformation — 1st Stage, we aggressively invested in polyimide, separation membranes, and other products with the aim of growing as a specialty chemicals company. We also made the decision to implement structural reforms in the form of withdrawing from or downsizing basic businesses, including ammonia, one of our original businesses; and caprolactam, a raw material for nylon.

In fiscal 2025, we launched a new six-year medium-term management plan, UBE Vision 2030 Transformation — 2nd Stage. In the 2nd Stage, we will accelerate our growth into a specialty chemicals company by further strengthening the initiatives of the 1st Stage. In addition, as the final stage of their efforts to transition to independent operations, our machinery business (UBE MACHINERY CORPORATION, Ltd.) and cement-related business (Mitsubishi UBE Cement Corporation) will aim for stock exchange listing.

As CFO, I believe it is my role to appropriately control the balance sheet and ensure both financial soundness and business growth as we undergo a major transformation to become a specialty chemicals company.

Overview of operating and financial performance in fiscal 2024

Earnings levels in fiscal 2024

Our operating profit in fiscal 2024 was ¥18.0 billion, well below the medium-term management plan target of ¥40.0 billion. The main reason for this was a significant deterioration in the business environment for basic businesses such as caprolactam and nylon polymers due to oversupply by Chinese companies. On the other hand, while we missed our target for our specialty businesses due to sluggish sales of composites and other products, separation membranes and ceramics achieved growth that exceeded initial expectations.

We recorded a loss attributable to owners of parent of ¥4.8 billion, also well below the target. The main reason

Message from the CFO

was extraordinary losses of ¥32.8 billion recorded resulting from the decision to restructure our basic businesses by reducing or suspending production of ammonia, caprolactam, and nylon polymers. In addition to this, equity method investment losses of approximately ¥10 billion were recorded due to the dissolution of an equity-method affiliate operating an elastomer business in Malaysia as a result of its poor performance. These are only one-time costs and will be eliminated from fiscal 2025. On the other hand, the cement-related business operated by Mitsubishi UBE Cement Corporation, an equity-method affiliate, exceeded its initial target mainly due to the effect of price adjustments in Japan and overseas.

Financial performance in fiscal 2024

Interest-bearing liabilities at the end of fiscal 2024 were ¥330.5 billion, ¥141.5 billion higher than assumed in the medium-term management plan. This was mainly due to lower-than-expected operating cash flow over the three-year period, as well as specialty business growth investments and increased allocation to M&A activities, such as the accelerated expansion of separation membrane manufacturing facilities and the acquisition of the urethane systems business of LANXESS of Germany. Shareholders' equity also decreased due to lower than expected profit attributable to owners of parent. As a result, the debt/equity ratio rose to 0.84 times, higher than originally planned.

Financial management policy in the new medium-term management plan

Numerical targets of the new medium-term management plan

The new medium-term management plan was formulated as a six-year action plan through 2030 to ensure the realization of our Vision for 2030. We deemed the previous medium-term management plan the “1st Stage” of our transformation, and under it we sowed the seeds for growth and made the decision to restructure our basic businesses. The new medium-term management plan is the “2nd Stage,” and based on it we will steadily capitalize on our

investments and promote further growth measures. Our numerical targets for the new plan are net sales of ¥550 billion, operating profit of ¥60 billion, and ROE of 9% for fiscal 2030. Furthermore, we aim to grow and become a company with net sales of ¥1 trillion and operating profit of ¥100 billion by 2035 to 2040.

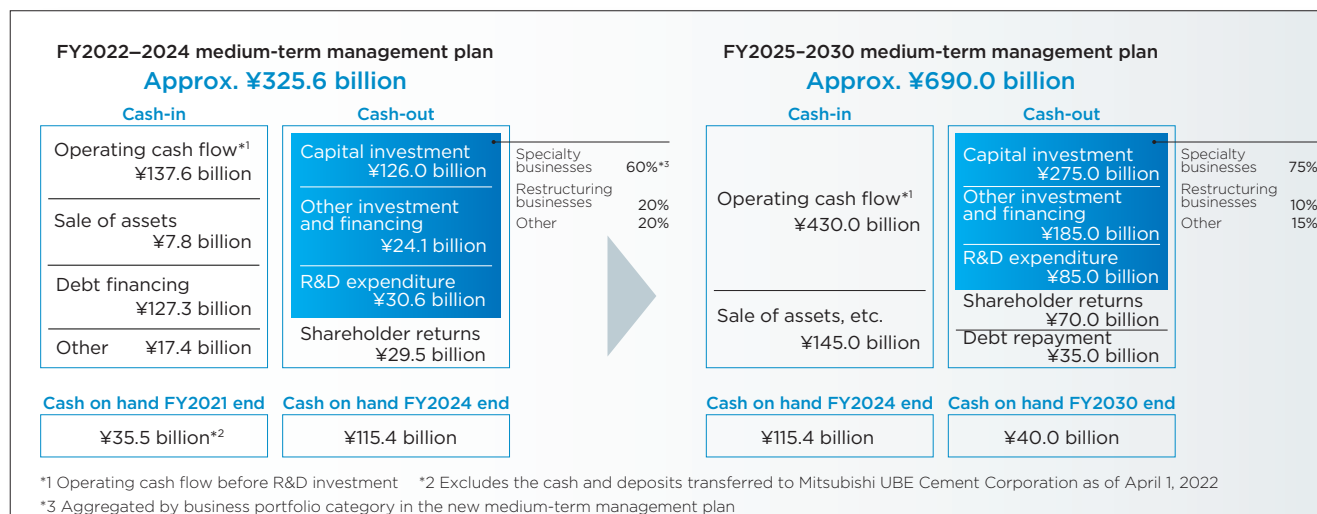
Cash allocation

Over the next six years of the new medium-term management plan, we expect to generate ¥430 billion in operating cash flow (before R&D investments) and ¥145 billion in cash inflow from asset sales and other sources. This includes cash inflow from the listing of UBE MACHINERY CORPORATION, Ltd. and Mitsubishi UBE Cement Corporation. The cash generated will predominantly be used for growth investments such as capital investment, other investment and financing, and research and development, with 75% of the total ¥545 billion to be allocated to specialty businesses. While preparing for the listing of our machinery and cement-related businesses, we will increase investment in specialty businesses and proceed with the reshuffling of our business portfolio. In terms of shareholder returns, we plan to return ¥70 billion through dividends based on our basic



policy of stable dividends, while at the same time reducing interest-bearing liabilities by ¥35 billion.

Note that the balance of cash on hand at the end of fiscal 2024 had grown to ¥115.4 billion, but this was a temporary balance buildup in order to pay the consideration for the acquisition of shares in the urethane systems



Message from the CFO

business on April 1, 2025. As our basic policy, we engage in suitable control of cash on hand at around ¥40 billion.

Specialty business growth and new business creation

To accelerate the growth of our specialty businesses, we are planning on ¥275 billion in capital investments by fiscal 2030. In addition to the expansion in production capacity for separation membranes, ceramics, and separators as well as the construction of new plants for DMC and EMC in North America as decided in the previous medium-term management plan, we will further enhance production capacity for separation membranes, ceramics, high-performance coatings, pharmaceuticals, and elastomers to meet growing demand.

On the other hand, to achieve our aims of net sales of ¥1 trillion and operating profit of ¥100 billion by 2035-2040, it is essential that we create new businesses. To this end, we will engage in a dual approach of launching new businesses through in-house technology development and acquiring core competencies in new business fields through M&As, and are planning on ¥85 billion in research and development investments as well as ¥185 billion in other investment and

financing over the next six years. Note that with regard to other investment and financing, we have already spent about ¥80 billion in the acquisition of LANXESS's urethane systems business.

With respect to M&As, we began establishing sections specializing in M&As in our corporate divisions in fiscal 2023, and the acquisition of the urethane systems business is one of the major results of this effort. Further, we established the M&A Promotion Office in fiscal 2025 as an organization under the direct supervision of the president. Going forward, we will acquire businesses on the periphery of our existing specialty businesses as well as startups and other small- and medium-sized businesses, and obtain technology and resources (human resources, equipment, and information) to accelerate the creation of new businesses.

Ensuring financial soundness

Although we anticipate a temporary increase in financial stress due to the high level of capital investment and other investment and financing planned in the new medium-term management plan, we will keep the level of interest-bearing debt within a range that maintains financial soundness as well as the trust the market has in us. Specifically, one

guideline is to keep the debt/equity ratio at or below 1.

On the other hand, during the period of the new medium-term management plan, we intend to see UBE MACHINERY CORPORATION, Ltd. and Mitsubishi UBE Cement Corporation achieve stock exchange listing, which, if accomplished, will generate a certain amount of cash inflow. As we prepare for our transformation into a specialty chemicals company, there will be more cash inflows and outflows, and their timing will be irregular. As CFO, I will manage our finances more prudently than ever while keeping an eye on risk.

Shareholder returns

Our basic policy is to provide stable dividends to shareholders, with a dividend on equity (DOE) of 2.5% or more as the standard. In the past, even in fiscal 2022 and 2024, when we posted a net loss, we paid dividends at the same level or higher than the previous fiscal year based on our DOE standard. In the previous medium-term management plan, a consolidated total return ratio of 30% or more was also set as a criterion, but in the new medium-term management plan, only the DOE standard has been established in order to more clearly show that we aim to pay progressive dividends. While monitoring the progress of the new medium-term management plan, we aim to enhance shareholder returns in the future, including further raising the DOE standard of 2.5% or more in the latter three years of the plan from fiscal 2028.

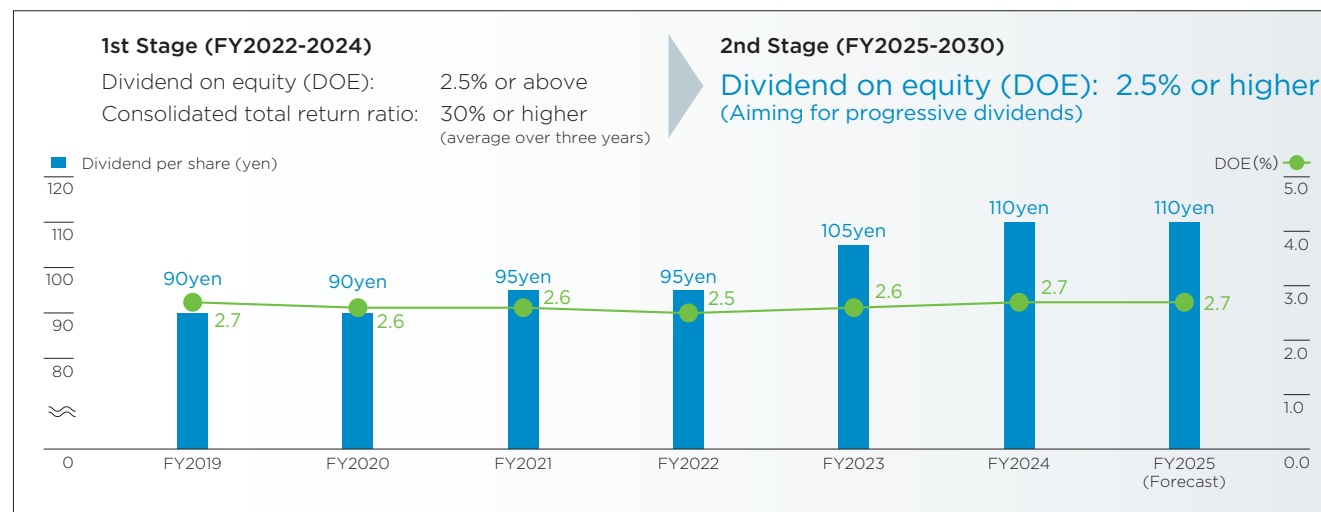
Initiatives to bolster enterprise value (Improving P/B ratio level)

Approach to improving our P/B ratio

UBE's price-to-book ratio (P/B ratio) remains below 1, and improving our P/B ratio is an urgent issue. UBE views P/B ratio as "ROE ÷ (Cost of shareholders' equity - Expected growth rate)," and works to improve both profitability (ROE and ROIC) and reduce the cost of equity.

Improving of ROE (ROIC)

We will improve our ROE (ROIC) by promoting



Message from the CFO

the expansion of specialty businesses and business restructuring. While increasing profits by concentrating investment of management resources in specialty businesses expected to be highly profitable, we will steadily downsize or withdraw from ammonia, caprolactam, nylon polymers, and other businesses that present profitability and capital efficiency issues.

To improve our capital efficiency, we promote ROIC management. We have long utilized ROIC to make investment decisions and verify our business portfolio. Going forward, however, we will build a system in which the entire Company works together to improve capital efficiency by instilling the importance of ROIC and ROIC tree thinking throughout the Group, from top management to the front lines of our businesses, and making ROIC the basis for all decision-making. We will also incorporate the urethane systems business we acquired into UBE's cash pooling system for our European, U.S., and Asian bases to reduce cash on hand and debt and further improve capital efficiency.

Reducing cost of shareholders' equity

Similar to our measures to improve ROE, we will aim to reduce the cost of shareholders' equity by expanding our



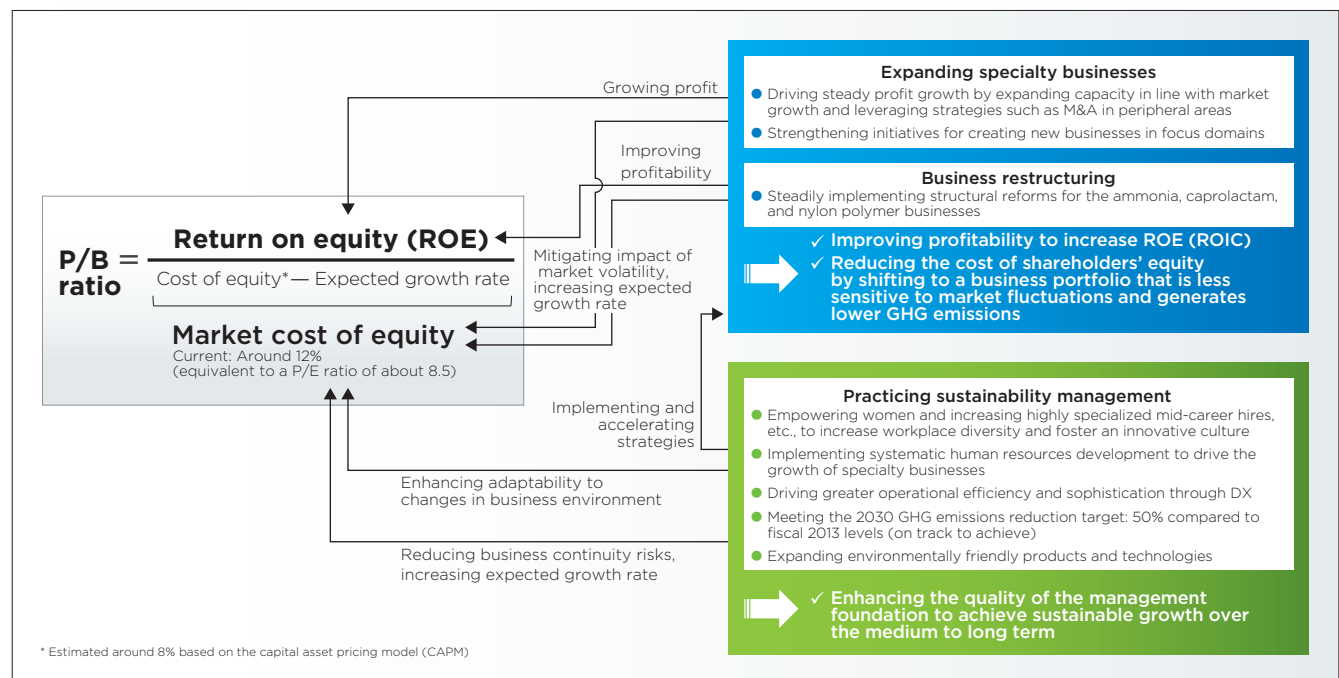
specialty businesses and engaging in business restructuring, shifting our portfolio away from ammonia, caprolactam, nylon polymers, and other businesses susceptible to market fluctuations and toward specialty businesses that are more market resilient. In addition, by strengthening our management foundation through the enhancement of human capital and promotion of DX, we will raise market expectations for sustainable growth.

We also recognize that UBE's greenhouse gas emissions are considered a risk factor by the market and are factored into UBE's valuation as a risk premium. In fiscal 2028, when we will have scaled down or withdrawn from production of ammonia and caprolactam, which have high GHG emissions, our greenhouse gas emissions are expected to be 1.66 million tons, a 65% reduction compared to fiscal 2013. We will further strive to reduce our risk premium by achieving a newly set target for fiscal 2035 of a 70%

reduction in GHG emissions compared to fiscal 2013.

Dialogue with the market (IR) policy

In fiscal 2024, we held small meetings for analysts, visits to overseas institutional investors, plant tours, business briefings, and briefings for individual investors as a means of dialogue between management, including the president, and shareholders and investors. We also engaged in approximately 150 individual meetings throughout the year, conducted primarily by the departments in charge of investor relations. The feedback obtained through such dialogue is reported by me to the Board of Directors each quarter so it may be reflected in management. We will continue to deepen dialogue with investors and strive to enhance our corporate value.



Materiality

By addressing materialities, we aim to resolve social issues and realize our Vision for 2030.

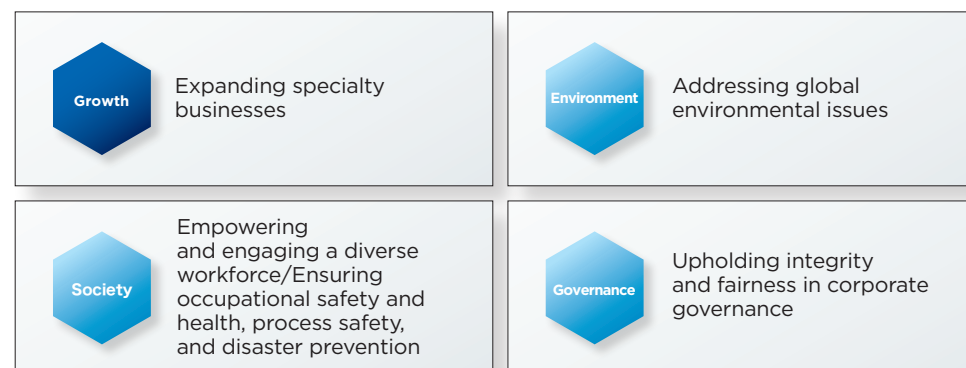
Defining new materialities

In conjunction with the formulation of the new Medium-Term Management Plan, which is in effect from fiscal 2025, the UBE Group has reviewed its material issues (materiality) that must be addressed by rallying its overall strength, with the aim of realizing Vision for 2030: “A specialty chemicals company that contributes to the global environment, human health, and an enriched future society.”

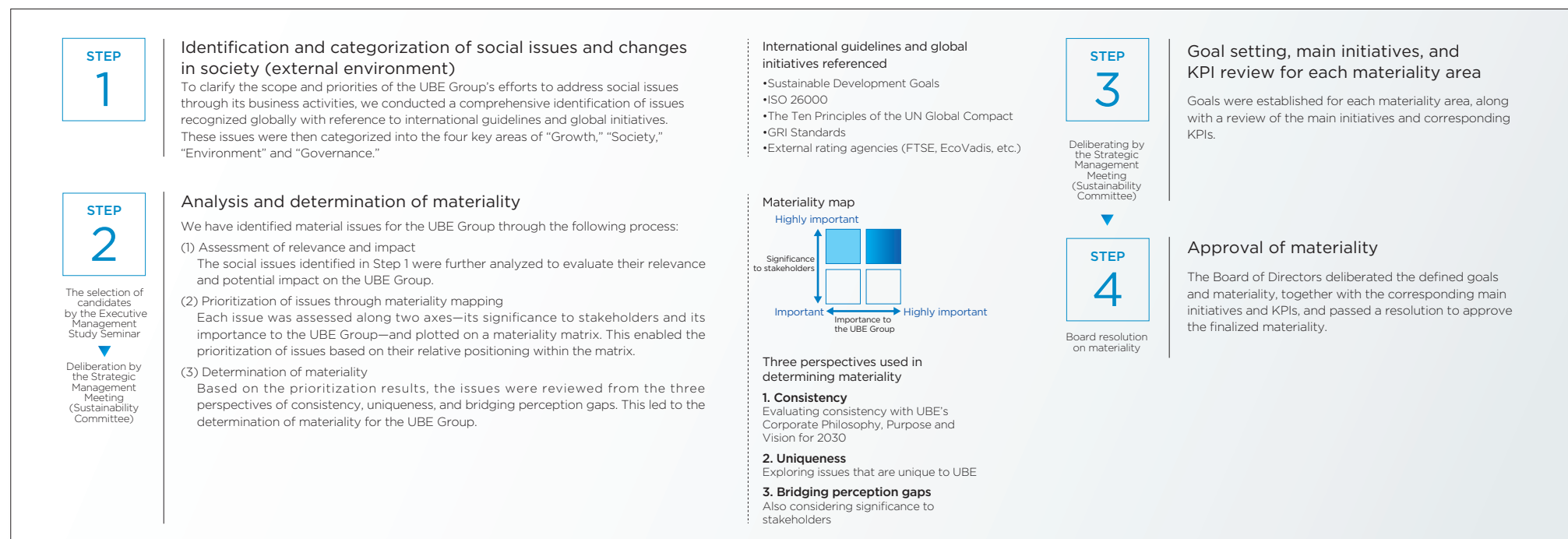
The process of reviewing these material issues involved the selection of candidates by the Executive Management Study Seminar, with the Strategic Management Meeting deliberating on each. After that, the Board of Directors validated the appropriateness of the newly defined material issues and passed a resolution to approve them.

Guided by its Founding Principles, Purpose, Corporate Philosophy and Management Principles, which together constitute the UBE Philosophy Framework, the UBE Group is committed to sincerely addressing five material issues identified across the four key areas. At the same time, the UBE Group has established KPIs as indicators of its commitment to sustainable management through fiscal 2030. By reviewing progress annually, the Group aims to help address social issues and realize its Vision for 2030.

Identified material issues



Determining materiality



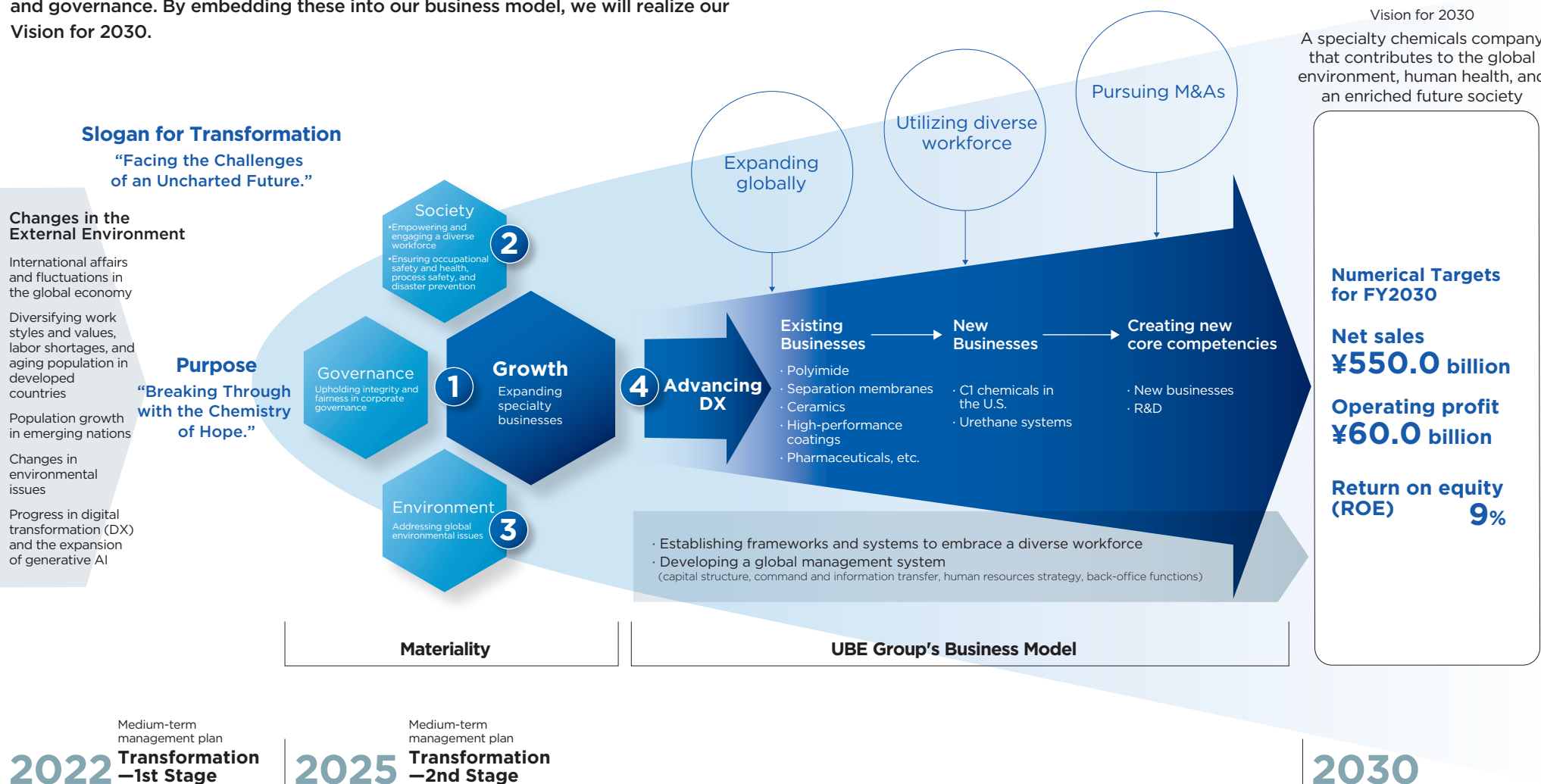
Materiality KPIs, targets and results

Areas	Goals	Materiality	Main initiatives promoted globally	KPIs	Results			Targets
					FY2022	FY2023	FY2024	
 Growth	Solving social issues through our business      	Expanding specialty businesses	Growth through the expansion of businesses based on existing core technologies and the creation of new businesses through the acquisition of new core technologies	Net sales	¥494.7 billion	¥468.2 billion	¥486.8 billion	Fiscal 2030: ¥550 billion
			EBITDA	¥41.7 billion	¥49.2 billion	¥45.5 billion	Fiscal 2030: ¥100 billion or more	
			ROS	3.3%	4.8%	3.7%	Fiscal 2030: 10% or more	
			ROE	(1.9)%	7.5%	(1.2)%	Fiscal 2030: 8% or more	
			ROIC	(2.0)%	4.7%	3.0%	Fiscal 2030: 6% or more	
			Commitment to innovation	Percentage of R&D expenses to net sales	2.5%	2.6%	2.3%	Fiscal 2030: 4% or more
			Discovery of seeds for the next generation	Percentage of overseas patent applications (corporate R&D)	25%	—	17%	Fiscal 2030: 80%
			Percentage of joint patent applications	33%	39%	15%	Fiscal 2030: 30%	
			Enhancement of customer satisfaction	Number of serious complaints related to quality or product safety	0	0	0	0
			Provision of high-quality and safe products and services	Number of serious quality or product safety incidents	0	0	0	0
			Number of regulatory violations related to quality or product safety	0	0	0	Number of violations resulting in administrative measures: 0	
Profit generation through the DX-driven transformation of operations and value creation for customers and society	Return on DX investment	—	¥231 million	¥1,510 million	Fiscal 2030: ¥30 billion			
 Society	Well-being of workers and respect for human rights    	Empowering and engaging a diverse workforce	Human resource management and development	Investment in off-the-job training per person (UBE)	¥120,000	¥150,000	¥205,000	Fiscal 2030: ¥300,000
			Development of human resources for DX promotion	Percentage of digital talent leading or advocating DX (within total workforce)	13.2%	14.6%	18.5%	Fiscal 2030: 60%
			Promotion of diversity, equity & inclusion	Percentage of women in the workforce (consolidated companies in Japan)	15.0%	15.0%	16.0%	Fiscal 2030: 25.0%
				Percentage of women in management positions (consolidated companies in Japan)	4.1%	4.6%	5.8%	Fiscal 2030: 10.0%
			Enhancement of employee engagement	Percentage of employees with disabilities (UBE Corporation, Libertas Ube, Ltd., Ube General Service Co.,Ltd.)	3.16%	3.06%	2.87%	Fiscal 2030: 3.2%
				Employee turnover rate (UBE)	1.0%	1.4%	1.5%	Fiscal 2030: 2% or less
			Employee engagement score (UBE)	(59.8) *1	—	62.8	Fiscal2030: 67.0	
			Creation of a supportive and inclusive work environment	Percentage of annual paid leave taken (consolidated companies in Japan)	74%	81%	81.3%	Fiscal 2030: 100%
				Total actual annual working hours (UBE)	1,918 h	1,900 h	1,898.5 h	Fiscal 2030: 1,880 h or less
			Percentage of male employees taking 20 days or more of childcare leave (UBE)	9.9%	10.8%	30.0%	Fiscal 2030: 50%	
			Promotion of employee health	Smoking rate (consolidated companies in Japan)	22.7%	23.0%	22.3%	Fiscal 2030: 12.0% or less
		Rating for presenteeism in the WFun questionnaire (UBE)		C	C	B	End of fiscal 2030: A	
		Ensuring occupational safety and health, process safety, and disaster prevention	Promotion of occupational safety	Safety score (Lost work time injury frequency rate x 500 + No lost work time injury frequency rate x 100)	443	555	348	Fiscal 2030: Safety score 230
			Promotion of process safety and disaster prevention	Number of facility-related accidents	2	6	3	0
			Promotion of environmental safety	Number of environmental accidents	4	0	1	0
 Environment	Conservation and restoration of the natural environment      		Addressing global environmental issues	Reduction of GHG emissions to achieve carbon neutrality	GHG emissions reduction (Scope 1 & 2)	19% 3,820 kt	26% 3,500 kt	32% 3,200 kt
		Percentage of net sales comprising environmentally friendly products and technologies			46%	47%	45%	Fiscal 2030: 60% or more
		Promotion of a circular economy		Reduction in plastic waste sent to landfill	—	—	47%	Fiscal 2030: 50% or more (compared with fiscal 2022)
				Plastic resources recycling rate	76%	—	77%	Fiscal 2030: 80% or more
				Sales volume of circular economy-contributing products	—	1000 t	9000 t	Fiscal 2030: 50 kt or more
		Reduction of chemical substance emissions		Reduction in emissions of 20 key chemical substances (compared with fiscal 2010)	38%	42%	38%	Fiscal 2030: 70% reduction (compared with fiscal 2010)
		Reduction of waste generation		Reduction in industrial waste sent to external landfill (compared with fiscal 2000)	84%	85%	91%	Fiscal 2030: 95% reduction (compared with fiscal 2000)
 Governance	Stakeholder trust  	Upholding integrity and fairness in corporate governance	Enhancement of compliance	Number of serious compliance violations	0	0	0	0
				E-learning completion rate	99%	100%	100%	100%
			Prevention of corruption	Number of serious corruption cases, such as collusion or embezzlement	0	0	0	0
				Bribery cases involving public officials	0	0	0	0
			Promotion of engagement with local communities	Amount invested in social contribution activities	¥190 million	¥180 million	¥230 million	-
			Thorough implementation and enforcement of effective information security measures	Number of information security incidents or accidents affecting external parties	0	0	0	0
				Information security evaluation score using Secure SketCH	770 (59.7)*2	830 (65.8)*2	853 (66.0)*2	End of fiscal 2027: 900 (maintain deviation at 67 or more points) Note: Deviation is based on comparisons with the security evaluation scores of industry peers

*1 The figures in parentheses are for reference. *2 The figures in parentheses indicate the deviation scores.

Value Creation Story

By sensitively capturing changes in the external environment and social issues, we have defined five materialities across the fields of growth, society, environment, and governance. By embedding these into our business model, we will realize our Vision for 2030.



UBE Vision 2030 Transformation

Four Key Elements for Value Creation

1 Expanding specialty businesses: Growth investments and creation of new businesses ▶ p. 22

2 Strengthening human resources ▶ p. 24

3 Addressing global environmental issues ▶ p. 25

4 Advancing DX ▶ p. 26

Value Creation Story

Four Key Elements for Value Creation



Expanding specialty businesses: Growth investments

Under this medium-term management plan, we will accelerate the growth of existing businesses. We will steadily bring into operation new production facilities for polyimide, separation membranes, ceramics, and C1 chemicals, which have been undergoing capacity expansion since the previous medium-term management plan, while also ensuring

the successful integration of the acquired urethane systems business. Through these initiatives, the UBE Group will generate synergies across the organization and expand earnings globally. Furthermore, we will continue to make proactive growth investments in the specialty businesses, laying solid foundations for further future growth.

Business expansion strategies and growth investments

					(FY)						
Major growth investments		Strategy			2024	2025	2026	2027	2028	2029	2030
Existing	Polyimide	· Raw material manufacturing facilities · Film manufacturing facilities	Up 60% Up 20%	· Launching newly developed products · Maximizing capital investment effects	▼ Operation started	▼ Operation start (planned)					
	Separation membranes	· Manufacturing facilities for polyimide hollow fiber membranes and for separation membrane modules · Manufacturing facilities for polyimide hollow fiber membranes and for separation membrane modules	Up 80% Expansion	· Expanding business in environmental and energy fields · Improving/developing new modules and developing new membranes		▼ Operation start (planned)		▼ Construction start (planned)			
	Ceramics	· Ceramics manufacturing facilities · Ceramics manufacturing facilities	Up 50% Expansion	· Expanding business through increased sales of bearings and substrates · Developing new products and grades		▼ Operation start (planned)		▼ Construction start (planned)			
	Phenolic resin	· Phenolic resin manufacturing facilities · Phenolic resin manufacturing facilities	Up 20% Expansion	· Contributing to semiconductor market growth through high-performance, high-quality products	▼ Operation started					▼ Construction start (planned)	
	Separators	· Separators manufacturing facilities	Up 30%	· Increasing market share by acquiring HEV deals · Deployment in non-automotive applications			▼ Operation start (planned)				
	High-performance coating	· PCD manufacturing facilities in the U.S. · PCD manufacturing facilities in Thailand · PUD manufacturing facilities in Thailand	New installation Expansion New installation	· Driving further growth and specialization centered on PCD and PUD · Generating synergies with the urethane systems business	Construction start (planned)	▼	▼ Construction start (planned)	Construction start (planned)	▼ Construction start (planned)	▼ Construction start (planned)	
	Pharmaceuticals	· Sixth pharmaceutical plant	New installation	· Expanding into life sciences field					▼ Construction start (planned)		
	Elastomer	· Elastomer manufacturing facilities	Expansion	· Promoting higher added value				Construction start (planned)	▼		
	C1 chemicals	· U.S. DMC/EMC plant construction	DMC: 100,000 metric tons EMC: 40,000 metric tons	· Ensuring stable production and supply as the only manufacturing site in the U.S.			▼ Operation start (planned)				
	Urethane systems	· Acquisition of urethane systems business	Acquisition of new businesses	· Providing advanced and diverse solutions · Creating synergies with C1 chemicals and high-performance coatings	▼ Business acquired						
New	M&As, etc.										

Note: Blue text indicates investment projects under the current medium-term management plan.

Value Creation Story

Four Key Elements for Value Creation



Expanding specialty businesses: Creating new core competencies and new businesses

The UBE Group defines future specialty businesses as “a global niche leader that creates significant economic and social value by working with society and industries to solve key challenges for a hopeful future, in growing markets focused on the environment, health, and quality of life.” To realize this vision, we will pursue a dual approach: creating core competencies through technology development and acquiring new business domains through active M&A.

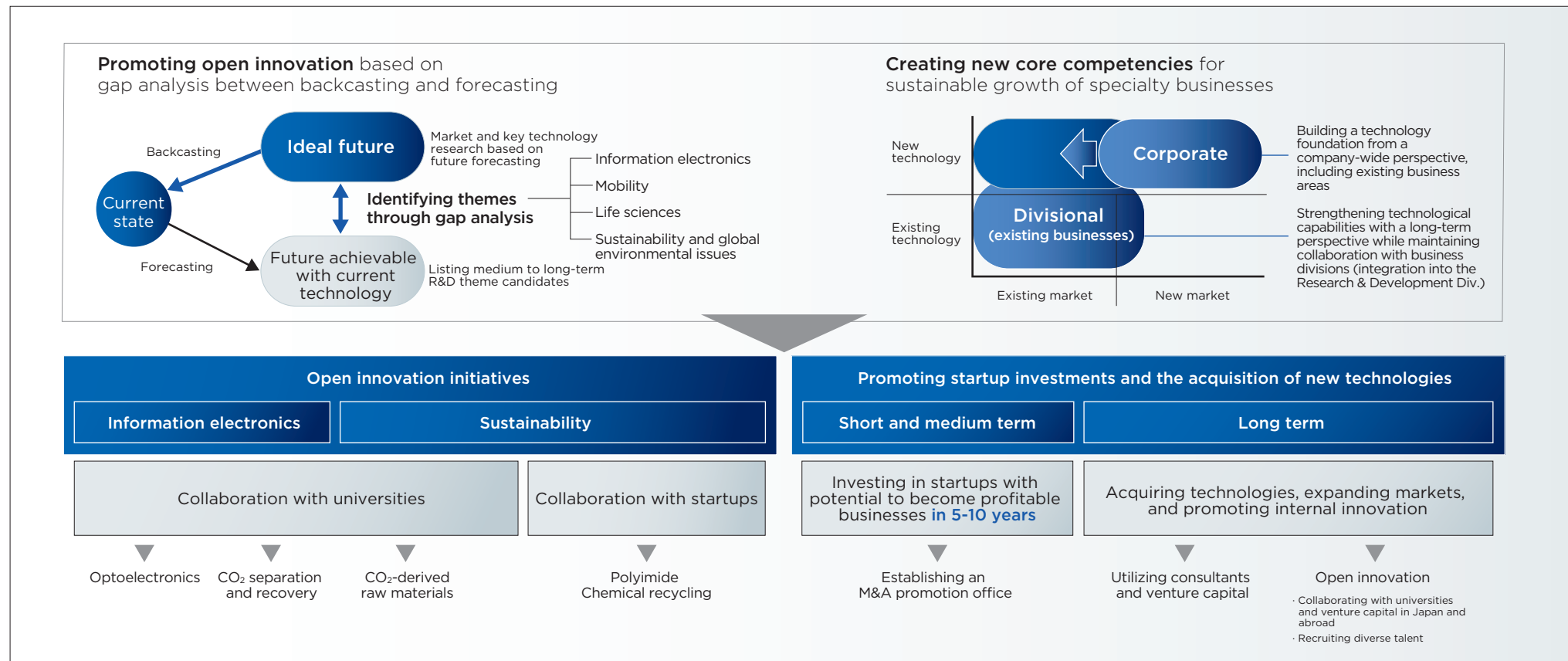
In in-house technology development, we are restructuring and integrating our R&D organizations to efficiently carry out company-wide R&D based on research strategies and divisional R&D based on business strategies, while also promoting diverse initiatives

including collaborations with external partners.

In promoting M&A, we have established a presidential-level organization to oversee and support M&A projects, accelerating inorganic growth. Through corporate M&A, we will transform and strengthen our business portfolio, while also pursuing investments in and acquisitions of startups in the specialty chemicals field.

Furthermore, to achieve the creation of new specialty businesses, we will increase R&D expenditures as a percentage of net sales (excluding the machinery business) from the current level of approximately 2.3% (fiscal 2024 result) to around 4% by fiscal 2030.

R&D approach and creation of new businesses



Value Creation Story

Four Key Elements for Value Creation

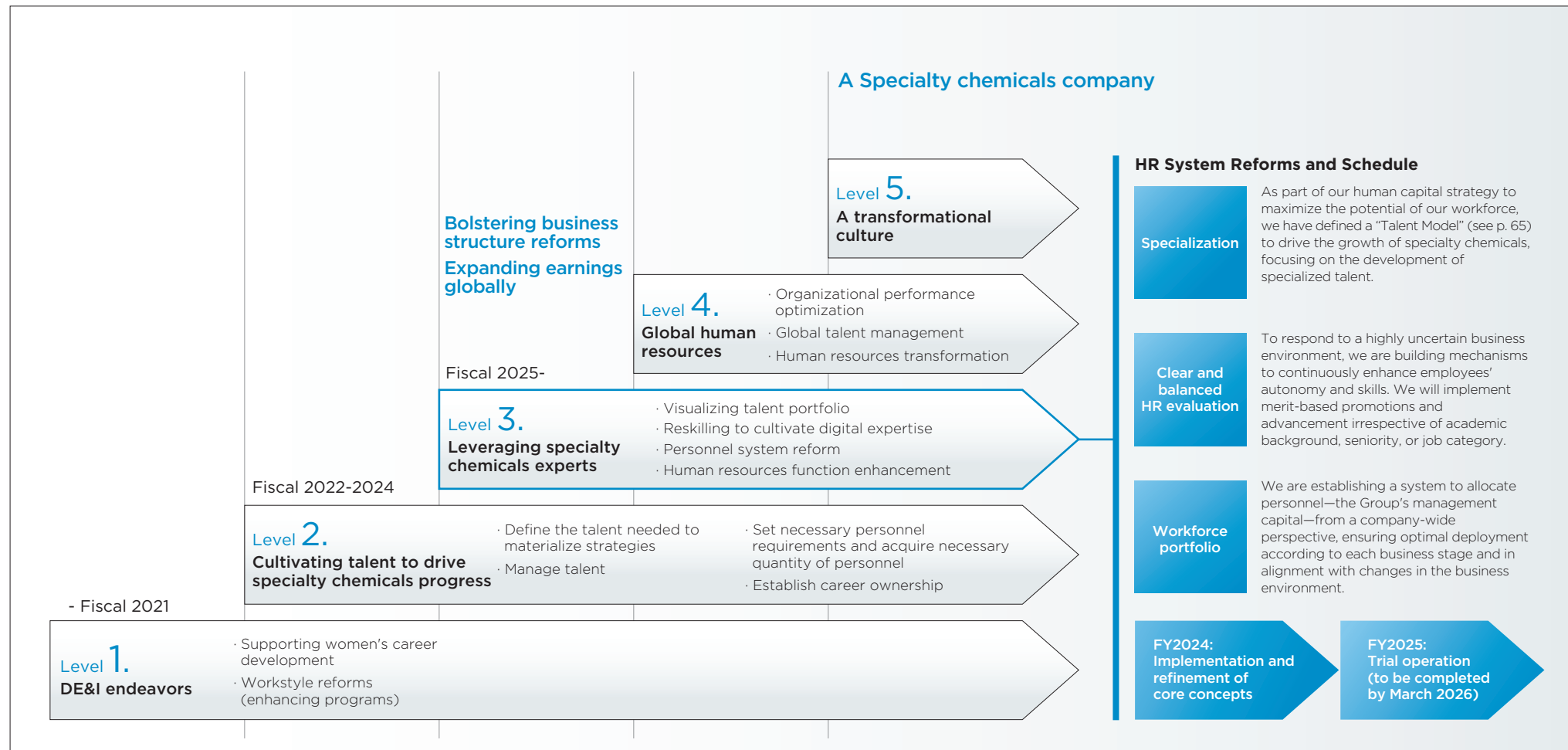


Strengthening human resources

In the UBE Group, where the business environment is rapidly globalizing, we are strategically developing and allocating the human resources required to achieve sustainable enhancement of corporate value in alignment with our management strategies. To realize our transformation into a specialty chemicals company, we have defined a human capital strategy structured into five stages (Levels 1–5). By implementing initiatives appropriate to each stage, we aim to enhance human capital and drive organizational transformation toward greater globalization.

In this medium-term management plan, which corresponds to Level 3, the Group will foster an environment of innovation through collaboration among diverse talent, while securing, developing, and empowering personnel who will drive the global growth of its specialty businesses. We will also promote a talent strategy that supports the autonomous growth of each individual and enhances employees' satisfaction with working in the Group.

UBE's talent strategy



Value Creation Story

Four Key Elements for Value Creation

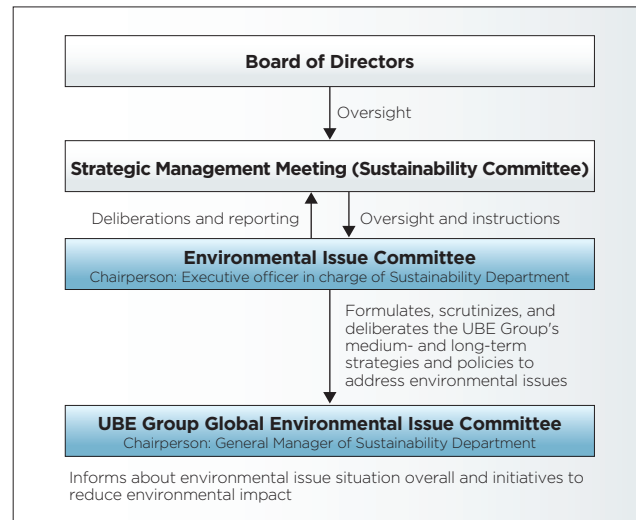


Addressing global environmental issues

The UBE Group recognizes global environmental issues as critical challenges for the organization. Under a governance framework that includes the Board of Directors, the Strategic Management Meeting (Sustainability Committee), and the Environmental Issue Committee, we are identifying both the dependence of our business activities on nature and their impact on it, while promoting management practices that contribute to resolving

environmental issues. In this medium-term management plan, we have set GHG emissions reduction targets of 50% by fiscal 2030 and 70% by fiscal 2035 (compared with fiscal 2013), and are working toward achieving them. In addition, we are addressing three key themes: the circular economy, nature positive, as well as carbon neutrality.

Environmental issues governance structure



Acquiring Science-Based Targets Certification

In November 2023, we received certification from the Science Based Targets initiative (SBTi), an accreditation organization, for complying with its standards and recommendations for 2030 GHG emissions reduction targets across the entire supply chain. SBTi particularly confirmed that our Scopes 1 and 2 GHG emissions reduction targets were in keeping with efforts to limit the global temperature rise to 1.5°C above pre-industrial levels.

	Base year	Target year	UBE Group targets	SBTi target thresholds
Scopes 1 and 2	2021	2030	45%	42%
Scope 3*	2021	2030	25%	25%

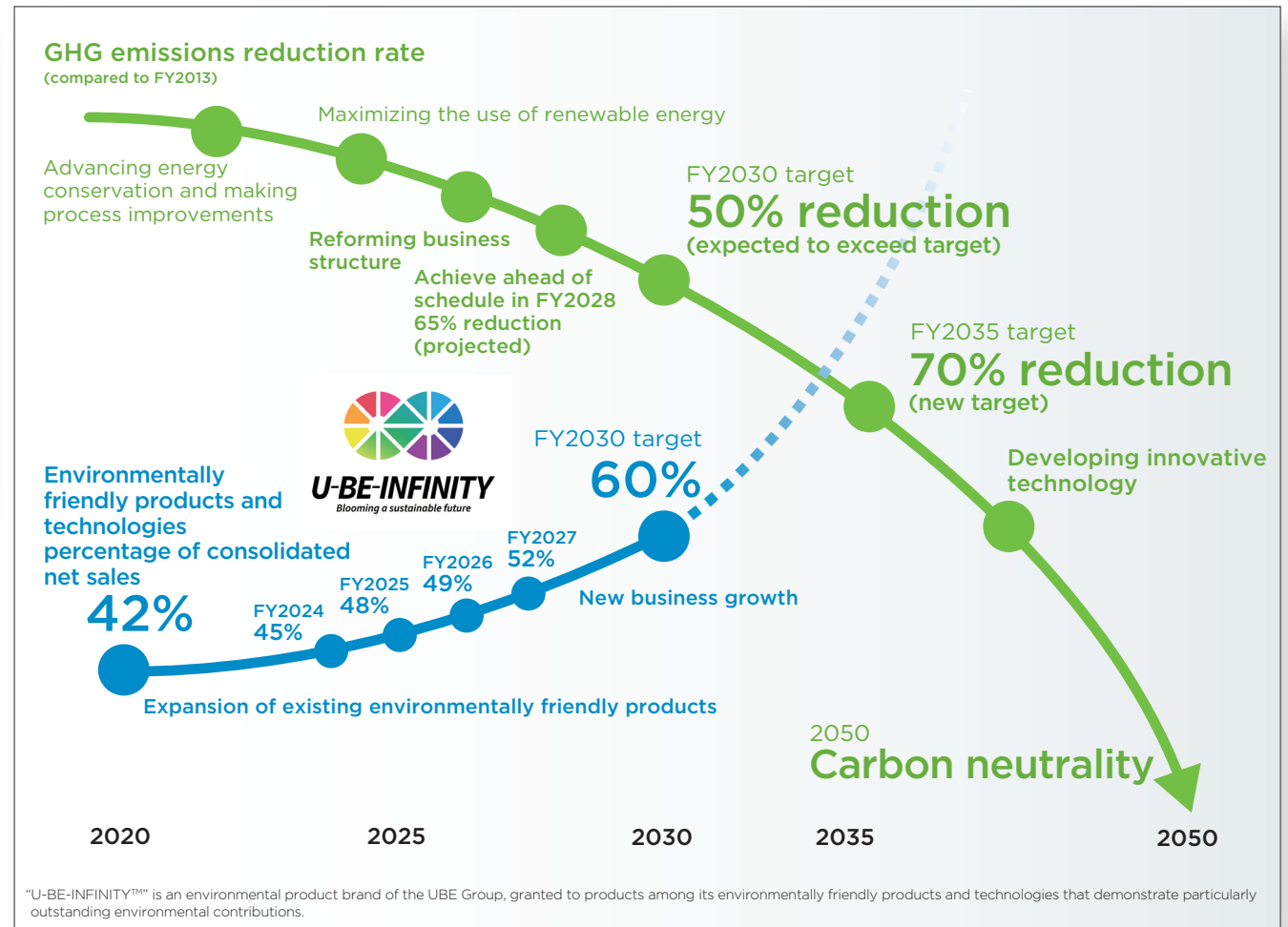
Scope 1: Direct GHG emissions from sources owned or controlled by a company (including fuel combustion and industrial processes)

Scope 2: Indirect GHG emissions from consuming purchased electricity, heat, or steam

Scope 3: All other indirect upstream and downstream emissions in the corporate value chain, excluding those in Scopes 1 and 2.

*Scope 3 reduction targets cover purchased goods and services, the disposal of sold products, and investments (Scopes 1 and 2 GHG emissions from equity-method affiliates based on the shareholding ratios).

Roadmap for addressing global environmental issues



Value Creation Story

Four Key Elements for Value Creation



Advancing DX

The UBE Group defines DX as “Business Transformation with Digital” and is promoting company-wide business transformation through the use of digital technologies. Led by the DX Promotion Office under the direct supervision of the President, activities are being advanced in ten domains, bringing together the IT Department along with young employees from business divisions and plants. To ensure effectiveness, executive officers are assigned to each DX domain, and a portion of their compensation is linked to their responsibilities.

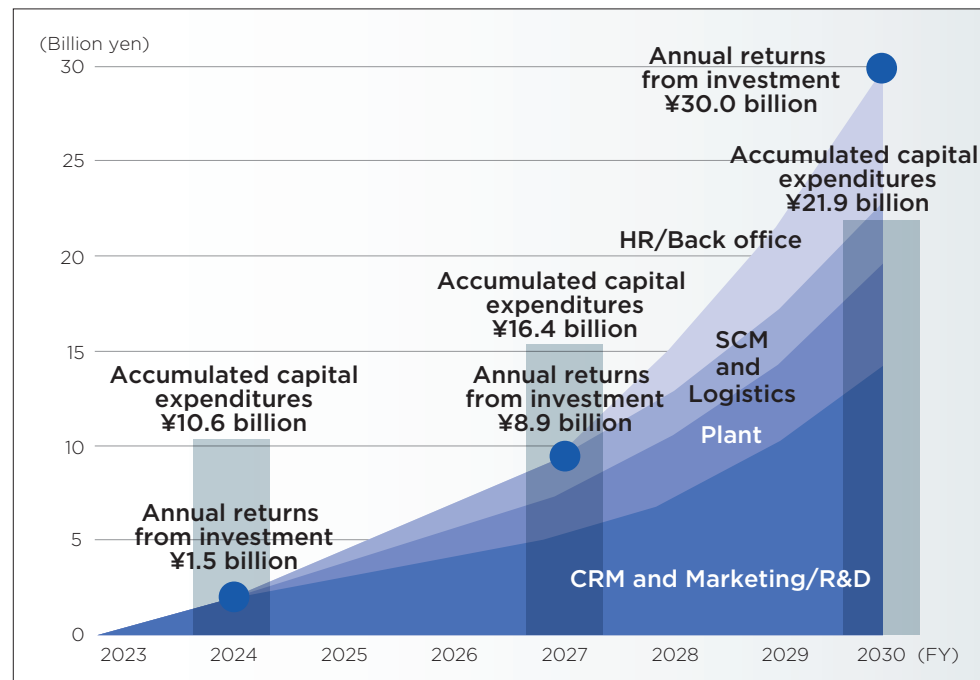
In addition, to embed DX throughout the organization, we held “UBE Transformation Day,” an event providing opportunities for dialogue between management and employees on the theme of transformation.

Through DX initiatives as a whole, we plan to make cumulative capital investments of approximately ¥22.0 billion by fiscal 2030, generating annual benefits of around ¥30.0 billion in fiscal 2030.



Panel discussion between management and employees at UBE Transformation Day (held in July 2025)

DX capital investments and investment effects (estimates)



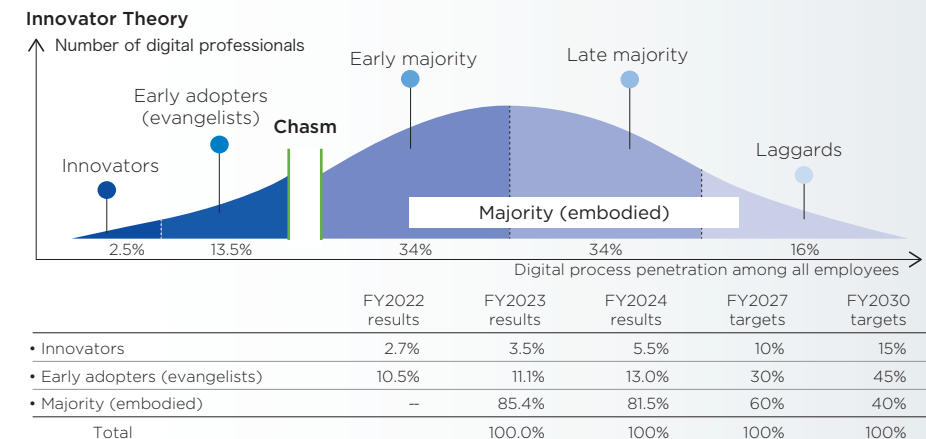
DX themes in 10 domains

Smart Factory: Data-driven plant operations using factory information integration systems
 Digital Marketing: Creating opportunities for proposing customer value solution by leveraging sales support systems
 Velocity R&D: Advancing materials development with materials informatics and exploring new themes using intellectual property analysis systems
 Digital Management: Implementing data-driven management by streamlining budgeting, accounting, and cost calculations
 Digital SCM: Enhancing production and sales planning with optimized supply chain planning systems
 Digital ESG: Meeting societal demands through comprehensive environmental management and disclosure
 Digital Back office: Upgrading back-office operations by adopting standardized business processes within a total quality management* framework
 Digital HR: Systematically expanding and developing key talent by focusing on knowledge, qualities, and career growth
 Digital Branding: Proactively engaging customers by presenting compelling value creation ideas, rather than waiting for them to come to us
 Data Analytics & AI: Leveraging data-driven insights to understand current trends, anticipate future developments, and guide decision-making

* Total Quality Management: Integrating shared quality management goals into the business strategy to align organizational objectives

See p. 31 for details of the DX strategy and initiatives in the new medium-term management plan

Digital talent development targets (as a percentage of total employees)



To develop all employees into digital talent, the UBE Group is promoting the penetration of DX not only through large-scale systems such as ERP, but also by fostering innovators who drive business transformation using citizen development* and generative AI, followed by early adopters (evangelists) and the majority (embodied). Knowledge accumulated on an open, mutual-learning platform composed of innovators and early adopters is shared across the UBE Group through various media and reporting sessions. Furthermore, we are creating and expanding e-learning programs to enable all employees to learn freely at their own pace.

* Citizen development: This refers to employees without specialized IT skills who use dedicated tools that do not require advanced programming knowledge to develop systems.

Medium-Term Management Plan (Summary of the Previous Medium-Term Management Plan)

UBE Group's medium-term management plan: "UBE Vision 2030 Transformation — 1st Stage"

In the three-year plan of the previous medium-term management plan, covering fiscal years 2022 to 2024, we worked on expanding the specialty business and restructuring the basic businesses.

Market environment and shortfall in earnings plan

The previous medium-term management plan fell short of

many targets due to changes in the business environment that significantly exceeded initial assumptions.

In the specialty businesses, separation membranes

and ceramics achieved growth beyond the targets, while composites and other segments underperformed.

In the basic businesses, sales of caprolactam, nylon polymers, and other products remained sluggish, impacted by oversupply from Chinese companies.

Ordinary profit was boosted by the cement-related business, an equity-method affiliate, which exceeded its target due to price corrections in domestic and overseas markets. However, this was significantly offset by equity-method investment losses resulting from the resolution to dissolve an equity-method affiliate engaged in the elastomer business.

Profit attributable to owners of parent turned to a deficit, as extraordinary losses were recorded in connection with structural reforms of ammonia, caprolactam, and nylon polymer operations.

Steady execution of measures for future growth

Although the plan fell short due to changes in the business environment, we steadily implemented measures for future growth.

In the specialty businesses, we advanced capital investments mainly in polyimide, separation membranes, ceramics, and C1 chemicals. In addition, we laid the groundwork for future growth, such as the acquisition of API Corporation, a pharmaceutical business company (December 2022), and the acquisition of LANXESS's urethane systems business (April 2025).

Furthermore, we decided to advance ahead of schedule the structural reforms (withdrawal or downsizing of production) for ammonia, caprolactam, and nylon polymer businesses. These initiatives are expected to mitigate the impact of market fluctuations and ensure substantial reductions in GHG emissions, thereby resolving long-standing concerns. Regarding GHG reductions, compared with the conventional target of 50% reduction by fiscal 2030 relative to fiscal 2013 levels, we now expect to achieve a 65% reduction by fiscal 2028.

1st Stage | Sowing seeds and structural reform (FY2024)

Net sales: ¥486.8 billion Operating profit: ¥18.0 billion ROE: (1.2)%

Numerical targets and results

(Billion yen)

	FY2022 (results)	FY2023 (results)	FY2024 (results)	FY2024 (original target)	FY2024 (results vs original target)
Net sales	494.7	468.2	486.8	520.0	(33.2)
Operating profit	16.2	22.5	18.0	40.0	(22.0)
Specialty businesses	18.3	18.6	16.3	24.0	(7.7)
Basic businesses	(3.4)	0.1	(0.1)	15.5	(15.6)
Ordinary profit (loss)	(8.7)	36.3	22.4	47.0	(24.6)
Equity method investment gain (loss) in the Mitsubishi UBE Cement Group	(24.6)	13.0	15.6	8.0*	7.6
Extraordinary income (loss)	6.1	(1.3)	(33.3)	(2.5)	(30.8)
Profit (loss) attributable to owners of parent	(7.0)	29.0	(4.8)	33.0	(37.8)
Interest-bearing liabilities	218.1	213.4	330.5	189.0	141.5
Shareholders' equity	361.6	408.7	395.1	424.0	(28.9)
D/E ratio (times)	0.60	0.52	0.84	0.45	0.39
Return on sales (ROS) (%)	3.3	4.8	3.7	8	(4.3)
Return on equity (ROE) (%)	(1.9)	7.5	(1.2)	8	(9.2)
Return on invested capital (ROIC) (%)	(2.0)	4.7	3.0	(Reference) 6	(3.0)

* Provisional figure assumed prior to launch of the Mitsubishi UBE Cement Group

Medium-Term Management Plan (New Medium-Term Management Plan)

UBE Group's medium-term management plan: "UBE Vision 2030 Transformation — 2nd Stage"

Vision for 2030

"A Specialty chemicals company that contributes to the global environment, human health, and an enriched future society"

Numerical targets for FY2030

Net sales ¥550.0 billion Operating profit ¥60.0 billion ROE 9%

Targets for FY2035–2040

Net sales ¥1 trillion Operating profit ¥100.0 billion ROE 10% or more

Numerical targets

(Billion yen)

	FY2030 (targets)	FY2024 (results)	FY2025	FY2026	FY2027	FY2030
Net sales	—	486.8	490.0	545.0	545.0	550.0
EBITDA	¥100 billion or more	45.5	55.0	70.0	80.0	115.0
Operating profit	—	18.0	25.0	32.0	40.0	60.0
Ordinary profit	—	22.4	37.5	41.5	45.0	65.0
Extraordinary income (loss)	—	(33.3)	(2.0)	(2.0)	(3.5)	(5.5)
Restructuring costs	—	(31.3)	—	—	(3.0)	(5.5)
Profit (loss) attributable to owners of parent	—	(4.8)	27.5	30.0	37.0	45.0
Gross assets	—	865.7	950.0	1,005.0	1,030.0	950.0
Shareholders' equity	—	395.1	410.0	430.0	455.0	515.0
Interest-bearing liabilities	—	330.5	380.0	410.0	420.0	300.0
D/E ratio (times)	—	0.84	0.93	0.95	0.92	0.58
EBITDA margin (%)	—	9.3	11.2	12.8	14.7	20.9
Return on sales (ROS) (%)	10% or more	3.7	5.1	5.9	7.3	11.0
Return on equity (ROE) (%)	8% or more	(1.2)	6.8	7.1	8.4	9.0
Return on invested capital (ROIC) (%)	6% or more	3.0	4.4	4.8	5.2	7.0

Pursuing growth of the specialty businesses and independence of the machinery and cement-related businesses, aiming to achieve targets including EBITDA of over ¥100 billion

The new medium-term management plan (the new Plan) is a six-year action plan covering fiscal years 2025 to 2030, formulated to realize our 2030 vision of becoming "a specialty chemicals company that contributes to the global environment, human health, and an enriched future society."

We have newly defined five material issues: "expanding specialty businesses," "empowering and engaging a diverse workforce," "ensuring occupational safety and health, process safety, and disaster prevention," "addressing global environmental issues," and "upholding integrity and fairness in corporate governance." In addition, we have identified "DX initiatives" and "global growth" as key themes. Based on these, we will implement five key initiatives: (1) growth of specialty businesses, (2) structural reform of ammonia, caprolactam, and nylon polymers, (3) public listing of the machinery and cement-related businesses: aimed for the medium-term period as the final stage of their independence, (4) advancement of sustainability management, and (5) capital policy.

In the new Plan, we have established a business portfolio consisting of two segments: the "specialty businesses" and the "restructuring businesses," taking into account market growth potential, the strengths of the UBE Group, profitability, and capital efficiency (see p. 4).

In the specialty businesses, we will accelerate the growth of existing businesses such as polyimide, separation membranes, and ceramics, while launching new businesses such as U.S. DMC & EMC operations and the urethane system businesses. We aim to generate synergies and achieve early contributions to earnings (see p. 22). We will also pursue further growth opportunities through strengthening R&D and promoting M&A (see p. 23).

Medium-Term Management Plan (New Medium-Term Management Plan)

In the restructuring businesses, we will steadily implement the withdrawal or downsizing of ammonia, caprolactam, and nylon polymer production, thereby reducing earnings volatility and achieving GHG emissions reductions (see p.48). Demolition and removal costs for these facilities are expected to arise beginning in fiscal 2027.

We have also announced plans to pursue stock exchange listings of the machinery and cement-related businesses during the new plan period.

Although the listings are expected to reduce operating profit, ordinary profit, and profit attributable to owners of parent, the specialty businesses are expected to deliver growth that more than offsets the decline.

Accelerating growth investment in the specialty businesses while maintaining financial soundness

In the new plan, we will continue to make proactive growth investments in the specialty businesses. While this is expected to temporarily place a burden on the balance sheet, including an increase in Interest-bearing liabilities, we will maintain financial discipline by keeping the D/E ratio under 1.0 to preserve market confidence.

We will also work to improve various management indicators. ROE for fiscal 2024 was -1.2%, heavily impacted by extraordinary losses associated with structural reforms in ammonia, caprolactam, and nylon polymer operations. In the new plan, however, we aim to achieve ROE above the target level of 8%, reaching over 8% in fiscal 2027 and 9% in fiscal 2030, driven by growth in the specialty businesses.

Given the scale of ongoing growth investments, we will also place strong emphasis on EBITDA and ROIC.

Over the six years of the new plan, we plan total capital expenditures, investments, and R&D expenditures of approximately ¥545 billion, far exceeding the ¥180.7 billion invested during the three years of the previous medium-term management plan. Of this, 75% will be allocated to the specialty businesses. Within capital expenditures, approximately ¥185 billion out of ¥460 billion will be allocated to other investment and financing (see cash allocation on p. 16). For R&D, we plan approximately ¥85 billion to strengthen capabilities aimed at acquiring new businesses.

Through balancing aggressive investment for future growth with the maintenance of financial soundness, we aim to enhance corporate value.

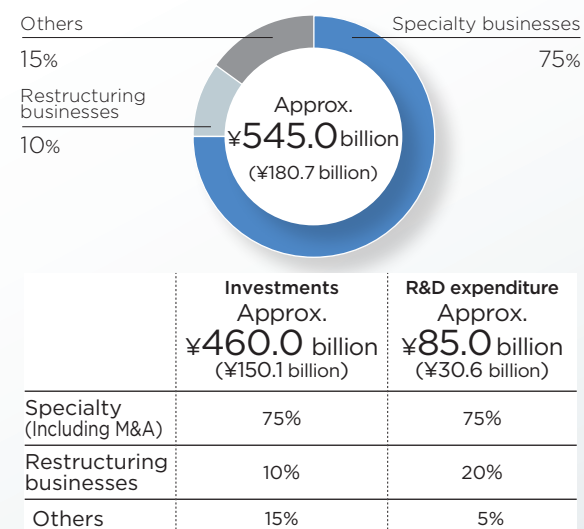
Numerical plans by segment

(Billion yen)

	FY 2024 (results)		FY2025		FY2026		FY2027		FY2030	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Specialty products	66.2	11.7	71.0	13.5	82.0	15.5	89.0	19.5	112.5	30.0
High-performance urethane	15.6	(0.2)	51.0	2.0	67.0	3.0	69.0	3.5	80.0	6.5
Pharmaceuticals	31.5	1.2	24.0	1.0	25.0	1.0	27.0	1.5	34.0	4.5
Polymers & chemicals	273.6	(0.7)	257.0	6.0	279.0	10.0	263.5	12.0	265.0	21.5
Machinery	86.9	7.9	76.0	6.5	78.5	6.5	82.5	7.5	—	—
Others	39.2	2.1	35.5	2.0	39.0	2.0	39.5	2.0	84.0	5.5
Adjustment	(26.1)	(3.8)	(24.5)	(6.0)	(25.5)	(6.0)	(25.5)	(6.0)	(25.5)	(8.0)
Total	486.8	18.0	490.0	25.0	545.0	32.0	545.0	40.0	550.0	60.0
(Reference) Ratio of specialty businesses to restructuring businesses*										
Specialty Businesses (%)	50	100	50	85	55	70	60	70	75	85
Restructuring businesses (%)	50	loss	50	15	45	30	40	30	25	15

Note: FY2024 figures are reclassified according to the new portfolio categories

Investments and R&D expenditure over six years



Note: Figures in parentheses are actual results from the previous three-year medium-term management plan.

Medium-Term Management Plan (New Medium-Term Management Plan)

Building a global management structure

One of the key themes in executing the initiatives of the new plan is “global growth.”

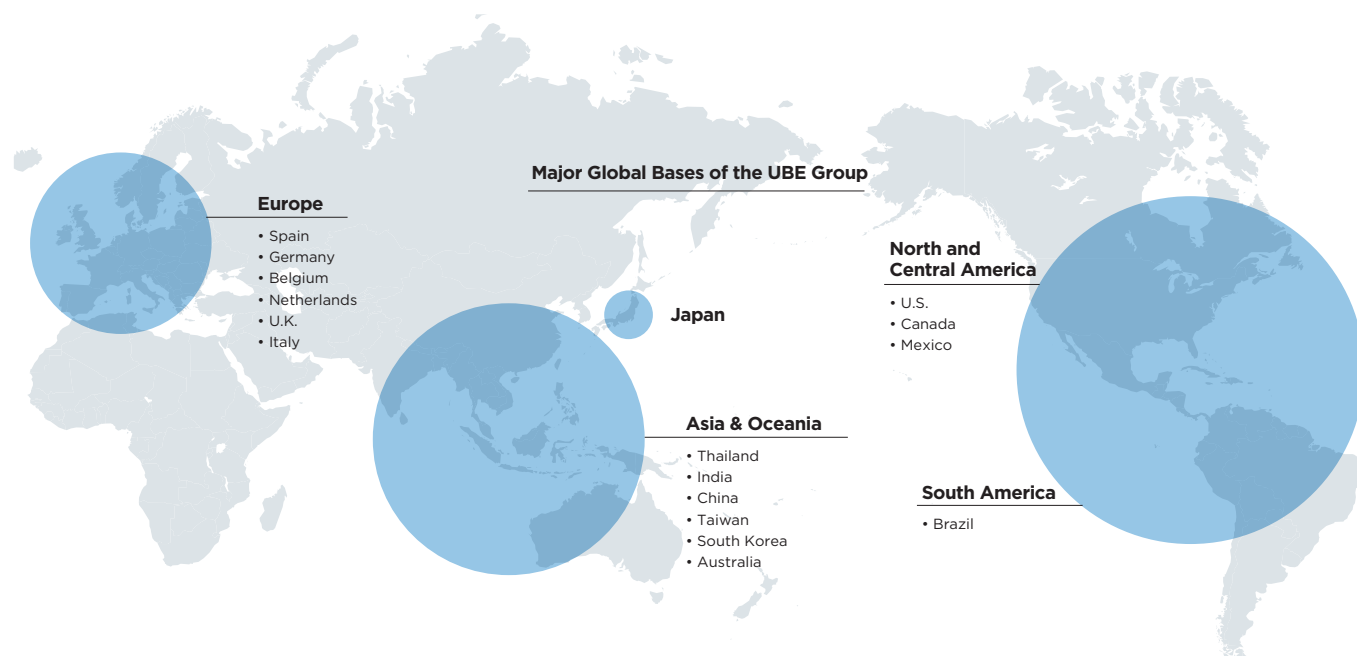
The UBE Group is currently constructing a new DMC/EMC plant in the United States, scheduled to begin operations in the second half of fiscal 2026. In addition, in April 2025 we acquired the urethane systems business, whose main base is in the United States, from Germany’s LANXESS. As a result, the Americas will become a new core business base for the UBE Group.

Accordingly, in addition to our existing three-pole structure of Japan, Asia, and Europe, we are establishing a fourth pole in the Americas, thereby building a four-pole global framework. With the establishment of this base

and the addition of the numerous global sites held by the urethane systems business, the UBE Group’s global expansion will accelerate rapidly.

To ensure smooth execution of global business development, including the rollout of new businesses and acquisitions of global companies, we will strengthen our management systems, including capital structure, command and information transfer, human resources strategy, back-office functions.

Furthermore, the UBE Group has newly defined four business domains: Mobility, Energy and Sustainability, Information Electronics, and Lifestyle and Health. By clarifying strategy and resource allocation, we will pursue globally competitive business operations.



Business domains^{*1}

Mobility

Vehicle electrification/weight reduction

- Ceramics
Bearings, substrates
- C1 chemicals (DMC & EMC)
LiB^{*2} electrolytes
- Separators
LiB^{*2} separators
- Composites
Vehicle weight reduction (metal component replacement)

Performance improvement

- High-performance coatings
Synthetic leather (automotive interior materials), water-based coatings (exterior coatings)
- Urethane systems
Tires, wheels
- Elastomers
Tires

Energy & Sustainability

Renewable energy

- Separation membranes
Biofuel production

Resource development

- Separation membranes
Explosion-proof gas production for oil and gas fields
- Urethane systems
Mining machinery
Gas pipelines

Storage batteries

- Polyimide
LiB^{*2} anode binder (automotive and consumer applications)
- Separators
LiC^{*3} separators for AI data centers
- C1 chemicals (DMC & EMC)
ESS and other LiB^{*2} electrolytes

Information Electronics

Digital devices

- Polyimide
LCD & OLED display materials

Semiconductor industry

- Phenolic resin
Semiconductor sealing material
- Urethane systems
Semiconductor manufacturing equipment components
- Semiconductor gases
Etching gases
- High-purity chemicals for semiconductors
Cleaning solutions

Lifestyle and Health

Lifestyle

- High-performance coatings
Synthetic leather (furniture, apparel), water-based coatings (flooring, etc.)
- Caprolactam
Nylon fibers for apparel

- Nylon polymers
Food packaging films
- Ammonium sulfate
Fertilizers

Healthcare

- Pharmaceuticals
Pharmaceuticals

^{*1} Indicates products in the specialty businesses

^{*2} Lithium-ion batteries ^{*3} Lithium-ion capacitor

Digital Transformation Strategy

Business Transformation with Digital

We drive business transformation through digital transformation across 10 domains covering all aspects of our corporate activities.

Overview of UBE's DX Initiatives

DX initiatives are aligned with our slogan for transformation, *"Facing the challenges of an uncharted future,"* playing a key role in accelerating our global growth as a specialty chemicals company. Across the 10 domains that encompass all of our corporate activities, we are linking the value chains of customers and society through digital technologies and driving transformation in our business processes, styles, models, and mindsets.

In fiscal 2024, we added two new domains—Digital Branding and Data Analytics & AI—to the existing eight. By enhancing our appeal to stakeholders and using data to verify the impact of initiatives, designed in response to changes in society and markets, on management indicators, we are working to achieve forward-looking management.

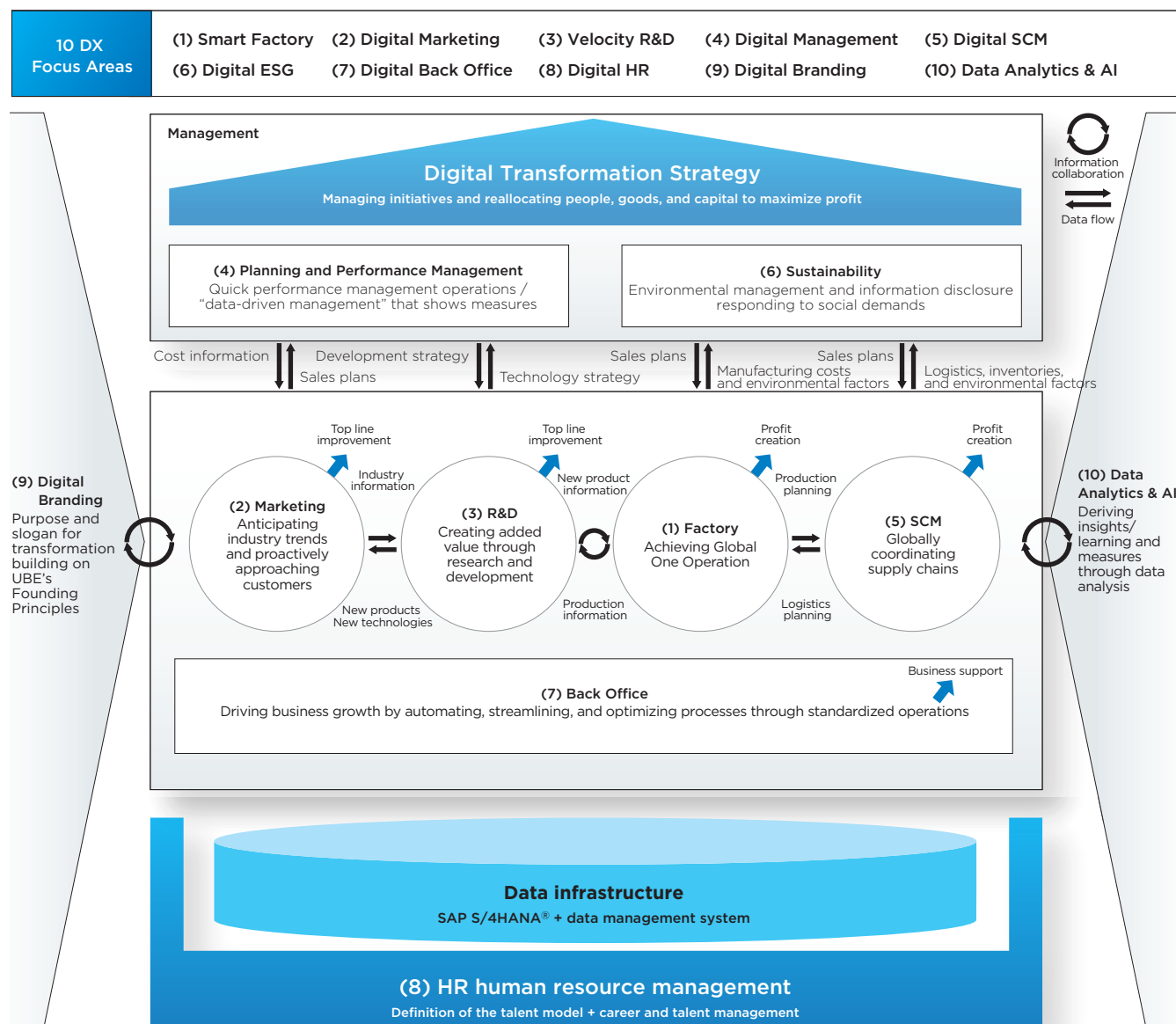
Supporting this approach is our data infrastructure, which we overhauled with the launch of the SAP S/4HANA® Cloud as our enterprise system from April 2024.

Risk Management

In promoting DX, it is essential to address risks arising from the transformation of corporate activities. As a measure against information leaks and cyberattacks, we have established an information security management framework (see p. 79).

In addition, to address the shortage of digital talent needed for DX, such as in generative AI and data utilization, we are systematically advancing the development of digital talent (see p. 26) and the recruitment and training of talent who drive the growth of specialty chemicals defined in the Digital HR domain (see p. 32), thereby enhancing the effectiveness of DX.

Furthermore, in utilizing AI, we are minimizing risks by implementing technical safeguards, formulating usage guidelines, and providing employee training.



Digital Transformation Strategy

Case1: Digital HR Domain

Promoting career development based on the talent model to drive growth in specialty chemicals

in the Digital HR domain, UBE has defined a “Talent Model to Drive Growth in Specialty Chemicals” as its DX (Business Transformation with Digital) talent framework, setting out the respective roles, behaviors, specialized and common skills, knowledge, and mindsets. We are fostering “career ownership,” encouraging employees to view their own career paths as a personal responsibility and actively engage in career development, while the company builds a planned “talent pipeline” for systematic development. To support these efforts, we plan to renew our HR systems and training frameworks

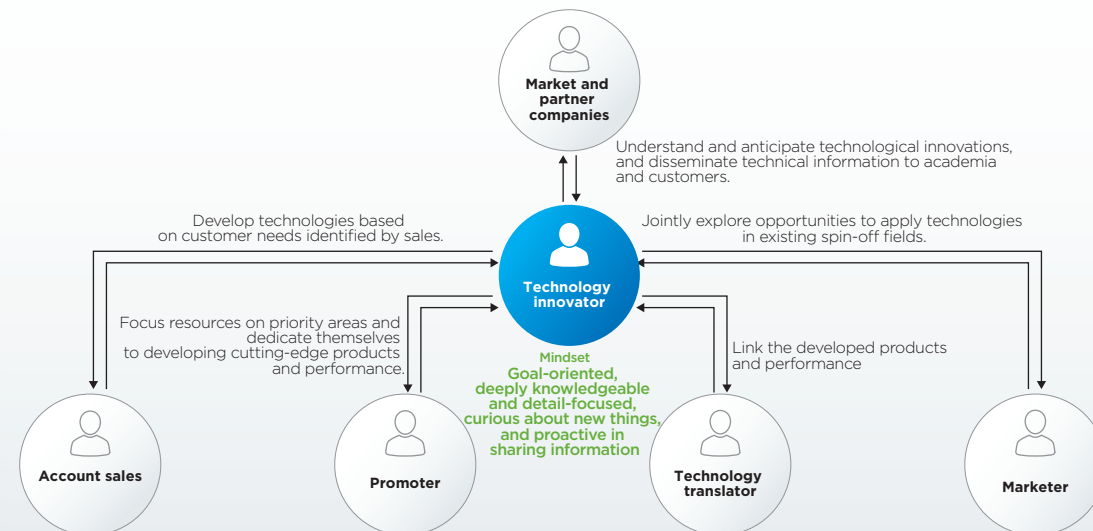
in fiscal 2026. Furthermore, in April 2025 we established the Talent Strategy Department to strengthen company-wide planning and execution of talent strategies. We are also introducing a talent management system to enhance talent development and career formation, aiming to advance strategic talent allocation and development through the visualization and utilization of talent information. The Digital HR domain plays a foundational role in supporting DX value creation by driving changes in corporate culture and working styles.

Talent model to drive growth in specialty chemicals

R&D and customer relationship management marketing workers	Smart factory workers	Headquarters workers
• Marketer • Account sales • Promoter • Technology translator • Technology innovator	• Process innovator • Plant engineer • Manufacturing specialist	• Corporate specialist • Business data intelligence

Role of technology innovators in driving specialization

Possess advanced technical expertise and act as a driving force in projects by designing distinctive, UBE-specific technological solutions.



Behavioral Style

- Technology innovators devote their expertise to analysis, property evaluation, and product development in the priority areas set by promoters, and **explore methods to meet the target levels required by technology translators.** (With specialists such as material inventors, grade developers, and equipment designers, UBE is able to carry out uniquely distinctive development.)
- With a frontline perspective, they diligently **refine their technical expertise** and flexibly engage in technology development within priority areas to achieve goals and resolve technical challenges.
- They **explore whether products can be developed** from a downstream perspective or **as spin-offs** within existing supply chain domains.
- They understand and anticipate technological innovations, and **disseminate technical information** to academia and customers, thereby contributing to the branding of UBE products.

Skills & Knowledge

- Advanced, distinctive expertise and knowledge in priority areas
- Ability to explain clearly without using technical jargon
- Capability to view the entire supply chain from a broad perspective and think beyond existing frameworks

Digital Transformation Strategy

Case 2: Smart Factory Domain

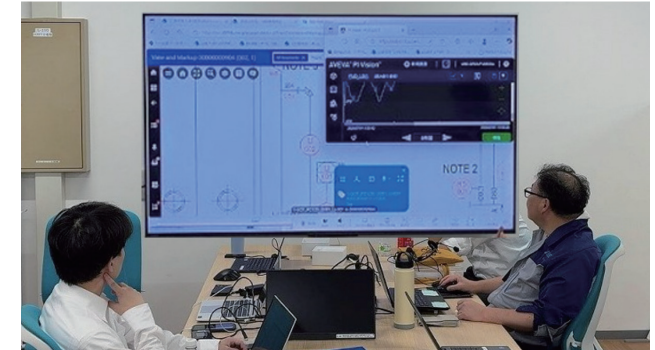
Enhancing manufacturing productivity

In the Smart Factory domain, we have built and begun operating an Engineering Document & Data Management System (EDMS) to promote data-driven factory operations. By integrating and visualizing manufacturing-related data that was previously dispersed, the system significantly reduces the time engineers spend searching for technical documents and data—previously accounting for about 70% of their workload. By creating an environment where the latest information is always accessible, the system enables quicker understanding of on-site conditions and faster decision-making, thereby contributing to improved equipment utilization, enhanced quality control, more efficient troubleshooting,

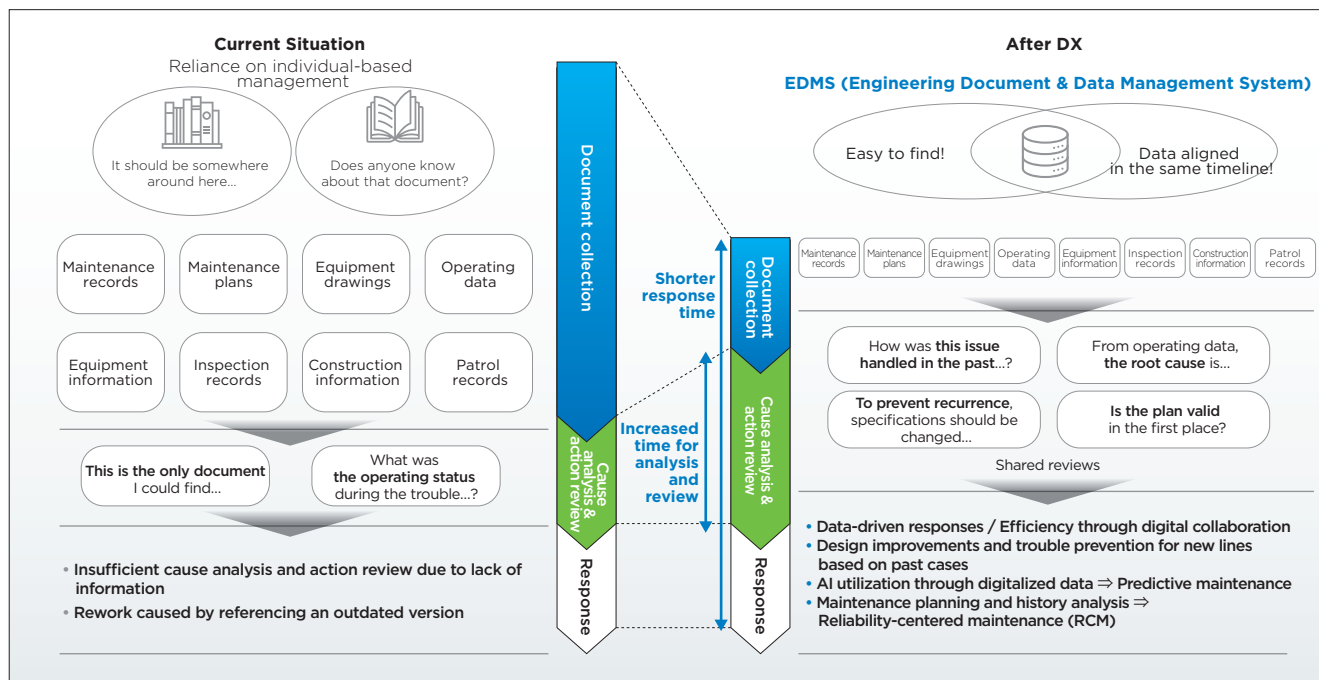
and overall productivity gains. From fiscal 2025, we have also started to build an EAM* system, which will not only improve operational efficiency but also advance and standardize processes across the board, leading to higher service levels.

The man-hours saved through these initiatives are being redirected toward predictive maintenance of equipment and improvements in processes, devices, and operations. In addition, in line with the talent model defined in the Digital HR domain, we are promoting reskilling and upskilling to support business expansion.

* EAM (Enterprise Asset Management): A system for managing and optimizing the entire lifecycle of equipment assets.



Example of using EDMS



Value Creation

Target outcomes

- Reduction of man-hours for collecting equipment drawings and design documents
- Optimization of maintenance plans based on quantitative judgments, and avoidance of unexpected shutdowns and serious troubles

Approach

Complete rollout to all domestic plants by FY2024 →

Reduce the workload equivalent to 25 employees

Reduce maintenance and loss costs through data utilization →

Profit improvement of 250 million yen

Digital Transformation Strategy

Case 3: Velocity R&D Domain

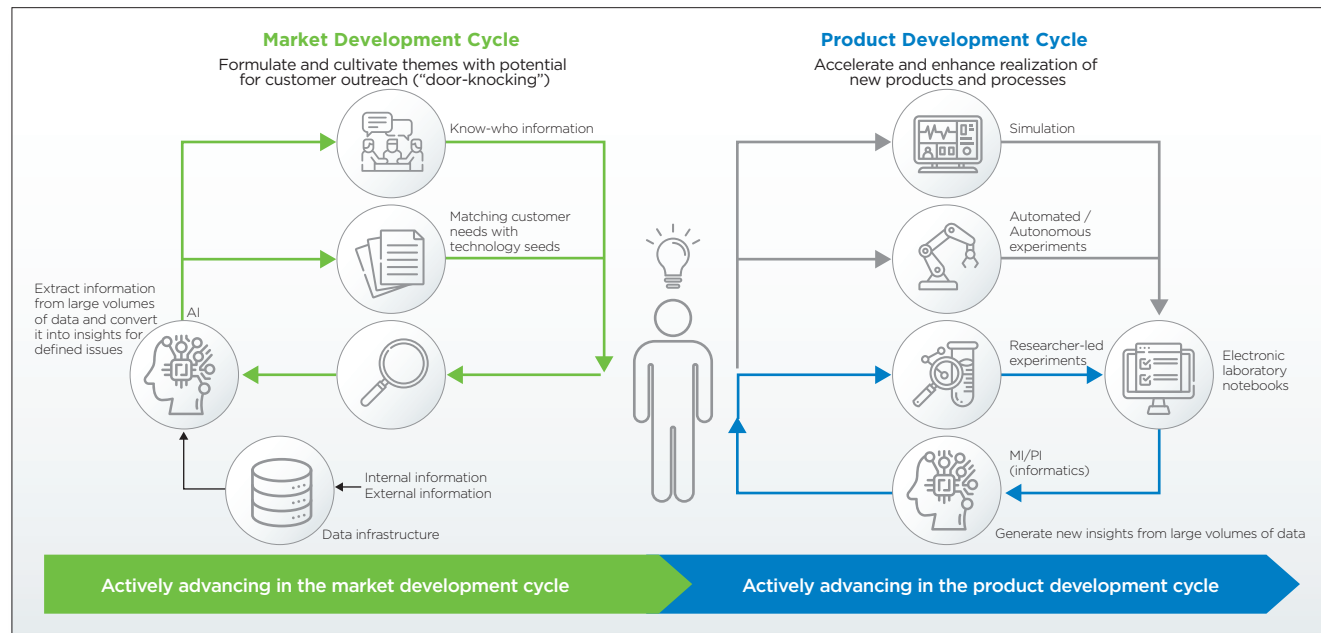
Accelerating market and product development

In the Velocity R&D domain, we are promoting DX in research and development with the aim of advancing and accelerating materials development and the creation of new themes. By moving away from a development style dependent on individual expertise and experience, and transitioning to data-driven R&D that leverages digital technologies, we are achieving both speed and accuracy in development.

Specifically, by integrating and analyzing experimental data and past development records, we are shortening the cycle from hypothesis building to verification, improving the accuracy of theme selection, and optimizing resource allocation. This approach reduces the risk of failure in the early stages of

development and enables focused investment in themes with higher potential for commercialization. Furthermore, the use of generative AI and simulation technologies is accelerating the automation of design and evaluation processes as well as the exploration of complex material designs.

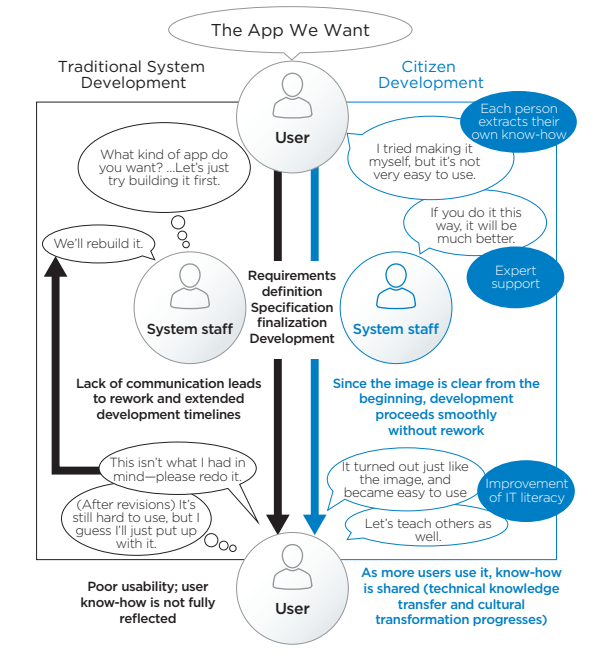
Velocity R&D is not limited to technological innovation alone; it is a domain that transforms the very nature of decision-making and organizational management in research and development, serving as a driving force for strengthening competitiveness and business growth through DX.



TOPICS

Promoting Citizen Development

To accelerate workplace-driven operational improvements and digital utilization, we are promoting citizen development. Employees without specialized IT skills independently develop and operate applications using tools such as Power Platform, enabling rapid solutions to operational challenges. We have also established support structures, including development assistance programs, license application processes, technical consultation sessions, and community activities. In particular, through the "UBE Tora Community," employees engage in mutual learning and case sharing to foster citizen developers. These initiatives are enhancing employees' digital literacy and promoting autonomous operational improvements, thereby contributing to company-wide DX advancement.



Discussion with the President and Outside Directors

Through free and open discussions incorporating external perspectives, we have developed a new medium-term plan with a clear future vision for UBE and our path for achieving it.



Tsugio Mitsuoka

Outside Director

Profile: Joined Ishikawajima-Harima Heavy Industries Co., Ltd. (now IHI Corporation) in 1980, became company President in 2016, and currently serves as the Director and Chairman of the Board. He also holds the position of Representative Director of the Japanese Aero Engines Corporation. He was appointed Outside Director of UBE in June 2023.

Yuki Nishida

President and Representative Director, CEO

Profile: Joined Ube Industries, Ltd. in 1987. Starting in the Fine Chemicals Manufacturing Department, he worked in the Development and Business Development Departments, held positions in Europe, and served as General Manager of several business units. He was appointed Executive Officer in 2016. After serving as General Manager of several business divisions, General Manager of Production & Technology Division, and General Manager of the DX Promotion Office, he was appointed President in April 2025.

Tatsuya Tanaka

Outside Director, Audit and Supervisory Committee Member

Profile: Joined Fujitsu Limited in 1980, holding roles including General Manager of Asia Region. In 2015, he was appointed President and, after 2019, he served as Chairman of both Fujitsu Limited and its group companies. He currently serves as an outside director for several companies. He was appointed Outside Director and member of the Audit and Supervisory Committee at UBE in June 2023.

The previous medium-term management plan UBE Vision 2030 Transformation — 1st Stage, which launched in fiscal 2022, has ended and in fiscal 2025 we are now embarking on the UBE Vision 2030 Transformation — 2nd Stage.

The 2nd Stage plan places even greater emphasis on ongoing reform and incorporates a wide range of perspectives and ideas that the internal and outside directors contemplated and examined during lively discussions.

President Nishida and Outside Directors Mitsuoka and Tanaka reflect on the process of formulating the new plan, the ideas and concepts behind it, and UBE's future direction.

Thoughts on the previous plan's accomplishments and legacy

What were the objectives and what was accomplished under the previous plan?

Mitsuoka The greater-than-expected changes in the business environment were a major reason earnings fell short of the company's numerical targets. However, the company adjusted and still delivered solid results and progressed toward its vision for 2030. Management was planning to gradually reform the ammonia, caprolactam, and nylon polymer operations, but accelerated the plan due to the business environment.

Tanaka I became an outside director during a time of rapid change, especially in the global business environment. I told the Board that management needed to act with a greater sense of urgency. I see the front-loaded structural reforms as a clear sign that they recognize the importance of moving quickly in

Discussion with the President and Outside Directors

today's environment.

Mitsuoka Investments for our next growth phase have produced strong results, most notably the start of DMC and EMC plant construction in the United States and the acquisition of the urethane systems business of the German company LANXESS. These moves clearly signal, both internally and externally, that we are focusing on the specialty business.

Tanaka The new medium-term management plan clarifies that the direction the UBE Group will take is growth investment, structural reform, and listing the machinery and cement-related businesses on the stock market. We were able to do this because of the solid foundation established under the previous plan.

Nishida In the previous plan, we initially announced that we would stop producing ammonia by 2030. As the business division's general manager at the time, I had mixed feelings about withdrawing from what I saw as the heart of the UBE Group. Then, we moved the closure up to March 2028. I believe that having a clear vision for the company was a key reason that we were able to advance so quickly within just the three years of the previous plan.

Expectations for the new medium-term management plan

What discussions went into formulating the new medium-term management plan?

Nishida The Executive Management Study Seminars held each October were highly meaningful. With outside directors present, we discussed every theme in the new plan, including specific details on how to express the corporate purpose. I look forward to future meetings and to continuing to hear the diverse perspectives of our

outside directors.

Tanaka The study group discussions are free, lively, and detailed, and I believe that leads to freer discussions even at the Board of Directors meetings. I am looking forward to the discussions we will have about growing the specialty business.

Mitsuoka In the previous plan, we set the goal for 2030 as being a "corporate group centered on specialty chemicals," but in the study group it became clear that we needed to make the entire UBE Group a "specialty chemicals company." I believe that change raised the discussions to another level.

Nishida The decision to change the focus of the discussions from a "corporate group" to a "chemicals company" was a real turning point. That was the moment that led to the decisions to make the machinery and cement-related businesses autonomous and to center the growth strategy solely on the chemicals business.

Mitsuoka The idea of becoming a "specialty chemicals company" and using it as our business branding was discussed at the start of the study group meetings. I felt it was essential to express the absolute resolve to that goal early on, and I believe President Nishida showing his unwavering commitment to the Company's direction from the beginning made the meetings lively and productive.

Nishida Branding was the first thing we talked about because we wanted to be clear from the start what kind of company we wanted to become. Deciding that allowed us to shift our mindset and have concrete discussions about what our focus will be as a specialty chemicals company.

Tanaka I thought it was excellent that the discussions were structured to allow outside directors to share their thoughts on the president's determination. That openness gave me confidence that the ideas the Board

discussed would be conveyed to all employees.

As outside directors, what advice do you have based on your backgrounds regarding the new medium-term management plan and its objectives?

Mitsuoka The message I often repeat is that it's not enough to just do your best—you also must clearly communicate your goals. I think it's highly commendable that the new plan sets a clear growth strategy to fiscal 2030 and vision for fiscal 2035 to 2040, aiming for ¥1 trillion in net sales and ¥100 billion in operating profit. Those ambitious targets reflect the company's strong commitment to growing its specialty businesses and expanding its growth fields globally. The major investment in the urethane systems business highlights this. Success in global M&A depends on smooth business integration and the creation of new synergies. I believe the new plan clearly demonstrates the company's determination to grow globally and especially to create new synergies.



Discussion with the President and Outside Directors

Nishida You have always said that acquiring the urethane systems business will be a stepping stone for global expansion. The Company's approach has been to focus first on the post-merger integration and then to pursue and develop synergies.

But the synergy you were talking about goes deeper than that. It also meant adding new talent around the world that would stimulate all of our human resources and lead to completely new businesses for us. The outside directors are invaluable for presenting us with ideas and perspectives we never would have thought of.

I remember one discussion about "global management" when you suggested that we look at it differently, as "global leadership." Corporate governance from Japan is important, but it is also important to respect local leadership that is tailored to the characteristics of each region. The UBE Group has not significantly expanded globally since the 1990s when it launched operations in Thailand and Spain. I expect the new plan to provide ample opportunity for our company



and for our younger employees to grow.

Tanaka I believe digital transformation (DX) will greatly benefit the company. My DX experience at Fujitsu showed the importance of thoroughly evaluating and mastering AI tools like generative AI. President Nishida's knowledge of the DX department and AI will be an asset. I hope the company not only adopts these tools but also pursues data-driven management led by talent skilled in proper data analysis.

Nishida I currently lead the DX Promotion Office, where I've worked for three years. The key to DX is the X—transformation—and everyone in the company recognizes the need to transform our business. We also understand that DX has no endpoint and are committed to continuously pursuing transformation.

What are your thoughts on the relatively long six-year timeline of the new plan?

Tanaka The new plan clearly states the goal of becoming a specialty chemicals company. The company still handles many commodity products and operates the machinery and cement-related businesses, so time will be needed to reorganize or realign them to the vision. Conversely, aiming to achieve that in six years shows strong commitment.

Nishida We knew we wanted to reach our goal in six years, so laid the groundwork during the previous plan to ensure a quick start under the new plan. I myself started preparing last year and am ready to step on the accelerator.

Mitsuoka The new M&A Promotion Office created in April 2025 will consider M&A opportunities and also directions for new technology development and businesses. The office reports directly to the president, which should lead to smooth progress with moves to grow the business.

Tanaka That being said, six years is also a fair amount of time, which makes risk management also important. The company will not only need to learn from past mistakes, but also be flexible and always have an alternative plan. Stakeholders will also see risk in such a long-term plan. It would be a challenge, but I would actually like to see the company complete the plan in three years instead of six.

Future outlook

What is your concrete image of what UBE will be in fiscal 2030 when the new plan is finished?

Nishida While being second or third was profitable in basic chemicals, we must go beyond that in specialty chemicals to achieve the Vision for 2030. In this field, strong marketing and R&D are essential to lead in global niche markets, and the leader must also grow the market. We need to shift our mindset from waiting for clients to approach us to actively going out to contact them.

Mitsuoka The UBE Group will need to take a global market perspective and be a market stimulator worldwide. When exploring new ideas, the Group should also involve its customers and business partners.

Tanaka I agree, human resource development and mindset are key. A "market-in" approach focused on meeting client needs requires more talent capable of actively adapting products and system, and should drive further growth.

Mitsuoka President Nishida's leadership will be essential. You often say you will provide plenty of opportunities to take on challenges, and I hope employees will be encouraged to do so without fear

Discussion with the President and Outside Directors

of failure.

Tanaka A global operation involves many risks, and some failures are inevitable—but they can be stepping stones for further progress. I hope younger employees seize opportunities to gain diverse experiences, including failures, knowing the experiences will help them lead the UBE Group in the future.

How should the Group develop a “market-in” approach?

Tanaka A global company that operates from a “home base” will have a hard time succeeding. As “market-in” implies, key human resources for a market should be close to that market. Rather than aiming for self-sufficiency, the ideal global business ecosystem would be constructed to include non-Group companies so it can give rise to new synergies.

Nishida That also means viewing the market as a whole, not just from the perspective of the product offered. One way I’d like to do that is by attending R&D presentation meetings and shifting the focus of discussion from individual businesses to broader markets like electronics, mobility, and life sciences.

Tanaka The younger researchers I’ve spoken with at R&D presentation meetings have been eager to pursue research directly aimed at market needs. Giving opportunities to such motivated talent would be a natural way to enter new markets.

Nishida Taking the market perspective can be a challenge in a divisional structure based on chains of interlinked businesses, but R&D could be a good starting

point. Semiconductor materials, for example, involve diverse technologies and materials. Bringing together researchers from different businesses would let them share customer needs, and over time the discussions they have could lead to new synergies.

Tanaka The chemicals business is interesting because research that once seemed unproductive can become key in a different application. Reevaluating past achievements and intellectual property from new market perspectives could uncover many synergies.

What are your thoughts on the important issue of improving the price-to-book ratio?

Mitsuoka It will be critical to clearly communicate the company’s growth scenarios and KPIs as a specialty chemicals company. Since cash outflows for growth investment will continue over the next few years, the capital market will expect to have a clear picture of how the company will balance financial discipline and growth. The outside directors will certainly use our experience and knowledge to ensure the company provides the necessary information.

Tanaka It’s important for the capital market to understand that the company is investing in businesses with growth potential and that those investments are paying off. The company must also provide objective, easy-to-understand data that shows the quality of its profits, such as investment efficiency and cash allocation.

Mitsuoka Publicly sharing information is also key to attracting talent. The UBE Group can draw people from

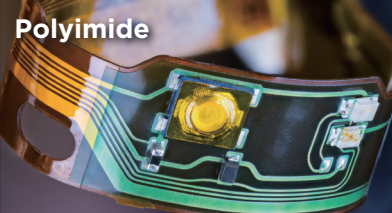


around the world by showing what it is doing and what it is aiming to do. Providing better information creates a virtuous cycle—attracting top talent who generate new value, which in turn leads to even better information to share.

Nishida As a specialty chemicals company pursuing growth and sustainability management, we aim to grow profits while remaining mindful of capital costs and stock value. As both of you noted, investing in human capital is essential. The first step is internal branding that inspires passion in our employees, who then share that passion externally. Repeating that process will deepen stakeholder understanding and attract diverse, talented individuals to the UBE Group. I consider that to be one of my most important imperatives.

Growth Strategies for Specialty Businesses

Offering numerous products with unique strengths, the UBE Group continues to provide social value that meets the needs of the times.



Polyimide

A plastic offering outstanding strength and heat resistance. UBE is the only manufacturer in the world which engages in the integrated production of polyimide, from the raw material that is biphenyl tetracarboxylic dianhydride (BPDA), to solutions (varnishes), films, and powders. We will maintain and expand our high market share for LCD and flexible OLED (for smartphones, etc.) substrates.

Main applications

- Chip-on-film (COF) for large displays
- Flexible printed circuit (FPC) boards
- Substrates for flexible OLEDs (for smartphones, etc.)

Opportunities

- Further evolution of displays (design, performance, larger sizes)
- 5G smartphone proliferation and vehicle electrification
- Higher capacity of lithium-ion batteries for mobile devices and automobiles
- Acceleration of the shift away from organic solvents due to increasing environmental awareness

Risks

- Replacement with other materials
- Further rise of Chinese manufacturers and price competition

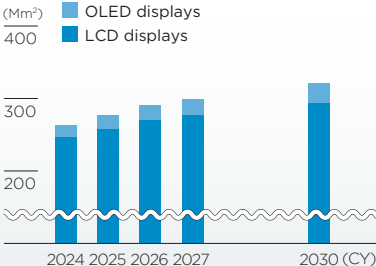
Display market (screen area) growth outlook

(Mm²)

400

300

200



2024 2025 2026 2027 2030 (CY)

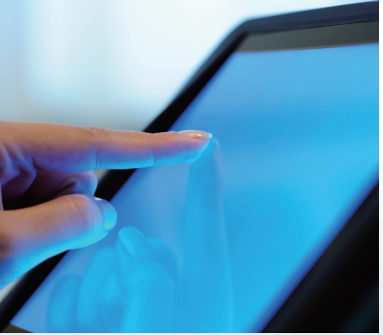
Note: Estimates by UBE based on various data

Business strategy → See p. 41 for details

- Capturing investment returns from new facilities
- Establishing stable production systems and expanding sales through new facilities for BPDA and films
- Developing new products that meet new market requirements
- Promoting the development of next-generation display materials, new materials for uses other than displays such as mobility and semiconductors, and environmentally friendly products

Value creation

- Contributing to electronics technology advances





Separation membranes

UBE's separation membranes efficiently separate specific gases from a gas mixture. Our proprietary polyimide technology boasts excellent durability as well as gas permeability and separation performance. We will expand business in the environmental and energy fields with a focus on CO₂ separation membranes for biomethane production.

Main applications

- Production of renewable energy such as biomethane
- Explosion protection for oil and gas, etc., on-board inert gas generation system (OBIGGS) explosion protection for aircraft
- Pneumatic equipment for railroad and machine tools

Opportunities

- Expansion of market for environmental products beyond Europe and North America into Asia and South America
- Continued use of renewable energy

Risks

- Policy changes or revisions due to changes in government or international conflicts
- Rapid fluctuations in exchange rates
- Production capacity expansion by competitors and price competition

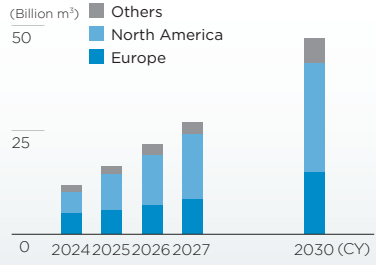
Biomethane production outlook

(Billion m³)

50

25

0



2024 2025 2026 2027 2030 (CY)

Note: Estimates by UBE based on various data

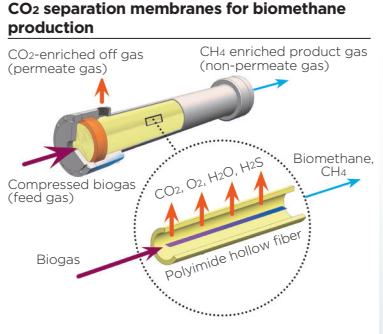
Business strategy → See p. 42 for details

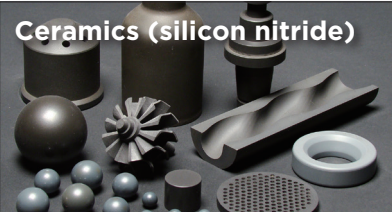
- Expanding business scale centered on CO₂ separation membranes for biomethane production
- Expanding market share in Europe and North America; developing markets in Asia and South America
- Launching a new manufacturing facility for polyimide hollow fiber and for separation membrane modules
- Developing products that contribute to a sustainable future and exploring markets
- Developing durable long-life products
- Exploring next-generation environmental and energy markets

Value creation

- Contributing to renewable energy production
- Contributing to the global environment and GHG reduction

CO₂ separation membranes for biomethane production





Ceramics (silicon nitride)

UBE's silicon nitride powder offers high strength and excellent fracture toughness, wear resistance, and thermal shock resistance. Our proprietary manufacturing process enables uniform particle size, low impurity levels, and a precisely controlled microstructure. UBE's silicon nitride is highly regarded as a global standard, and we will expand sales for xEVs, a market seeing growing demand.

Main applications

- Bearings for xEV motors
- Insulating heat dissipation substrates for power semiconductor modules for xEVs

Opportunities

- Expansion of the xEV market
- Increased adoption of silicon nitride bearings due to higher voltages and output
- Increased demand for heat-dissipating substrates due to higher operating temperatures of power semiconductors

Risks

- Greater competition due to new market entrants
- Stagnation of global EV market growth
- Increased presence of Chinese companies in the supply chain

xEV passenger car sales forecast by type

Shipment volume (Million units)

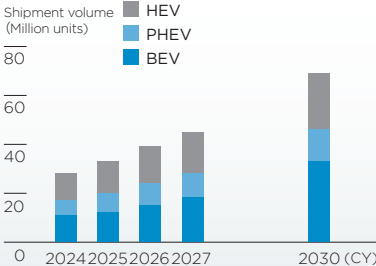
80

60

40

20

0



2024 2025 2026 2027 2030 (CY)

Note: Estimates by UBE based on various data

Business strategy → See p. 43 for details

- Expanding business through increased sales in bearings and substrates
- Growth in high-end fields, such as maintaining the world's top share in bearing balls
- Building a production system that meets growing demand by increasing capacity
- Developing new products and grades, exploring new markets
- Developing new products and grades leveraging characteristics derived from our proprietary manufacturing method
- Expanding into new markets other than bearings and substrates

Value creation

- Contributing to the expansion of environmentally friendly vehicles



Growth Strategies for Specialty Businesses

C1 chemicals



DMC plant in Japan

Our main C1 chemicals are high-purity DMC and EMC, which are key components of electrolyte solvents for lithium-ion batteries. UBE's proprietary process, using CO and methanol as the main raw materials, produces high-purity products suitable for electrolyte and semiconductor applications, and is cost competitive.

Main applications

Raw materials for lithium-ion battery electrolytes
Raw materials for semiconductor photoresist developer solution

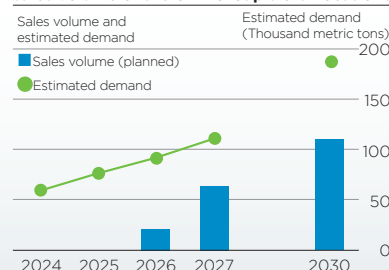
Opportunities

- Expansion of the xEV market
- Expanded use of energy storage systems (ESSs)
- Return of the supply chain to the domestic market in the U.S.

Risks

- Greater than expected slowdown in the xEV market

DMC and EMC demand outlook in the U.S. and sales volume of the UBE Group's U.S. locations



Note: Estimates by UBE based on various data

Business strategy → See p. 45 for details

- Steadily launching a new plant in the U.S. (in the second half of fiscal 2026) to make it a major global base in addition to Spain and Thailand
- Currently, the U.S. depends on imports from China or the UBE Group for all of its DMC and EMC demand—the new plant will enable us to respond to our customers' demand for a stronger supply chain as the only supplier in the U.S., and to achieve stable production and stable supply

Value creation

- Expansion of the xEVs
- Contributing to the global environment



Urethane systems



One of our core businesses is prepolymers for thermosetting urethane elastomers, which are used in a wide range of fields from advanced industries such as semiconductors to industrial machinery and sporting goods. We will achieve profitable growth globally by providing advanced and diverse solutions.

Main applications

Semiconductor manufacturing equipment components
Parts requiring durability such as used in mining equipment, industrial machinery, and pipelines, etc.
Tires, wheels
Sporting goods

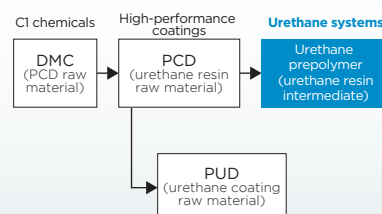
Opportunities

- Expanding demand for semiconductors
- Increasing sophistication of industrial machinery
- Tighter environmental regulations for urethane resins

Risks

- Stagnation of post-merger integration after business acquisition

Synergies with C1 chemicals and high-performance coatings

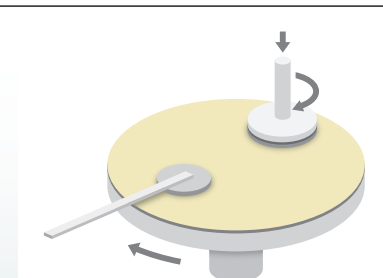


Business strategy → See p. 47 for details

- Steadily executing post-merger integration after business acquisition and achieving further specialization and growth through integration with C1 chemicals and high-performance coatings businesses
- Contributing to global growth by creating synergies across the UBE Group with the U.S. as the central hub

Value creation

- Enhancing functionality and performance in various industrial fields
- Contributing to the environment and reducing customer load through environmentally friendly grades



Example semiconductor manufacturing equipment applications—the UBE Group is contributing to the enhancement of semiconductor performance

Pharmaceuticals



UBE engages in drug discovery research and CDMO operations based on the organic synthesis technologies we have cultivated as a chemical manufacturer. Our strength lies in our high quality API manufacturing capabilities and solution services supported by our drug discovery research expertise spanning many years, diverse facilities and equipment, and advanced quality control systems.

Business

Drug discovery research (small molecule drugs, ADCs,^{*1} TPD,^{*2}), API and intermediate manufacturing (small molecule drugs, nucleic acid drugs), new life science business

^{*1} Antibody-drug conjugates

^{*2} Targeted protein degradation

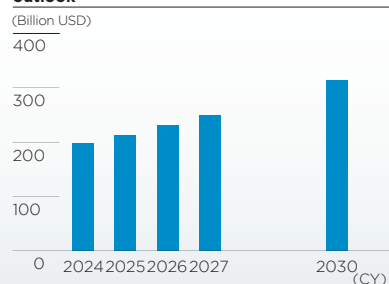
Opportunities

- Growth in advanced and cutting-edge medical needs
- Diversifying treatment methods, including gene therapy and cell therapy
- Increasing demand for high-quality and stable pharmaceutical supply due to growing demand in developing countries

Risks

- Depletion of target molecules in the small molecule pharmaceutical field and increasing difficulty in developing first-in-class^{*3} drugs
- China's policy for localizing raw material production
- ^{*3} Innovative pharmaceuticals with high novelty and usefulness

Global small molecule API market growth outlook



Note: Estimates by UBE based on various data

Business strategy → See p. 44 for details

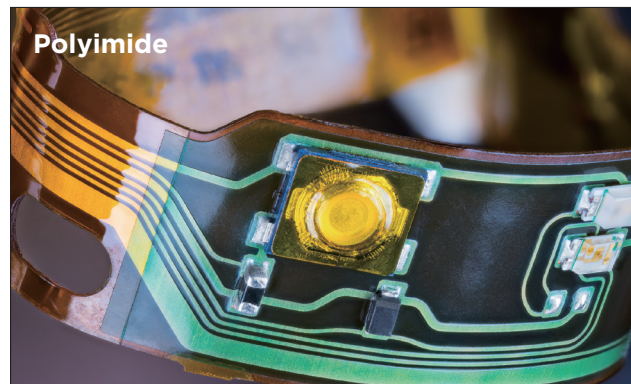
- Exploring the life sciences field and evolving into a life sciences division
- M&A aimed at creating new businesses
- Entering into new business fields, such as utilizing polyimide porous membranes
- Redefining, streamlining, and revitalizing drug discovery research; expanding research areas
- Building a stable business foundation through CDMO

Value creation

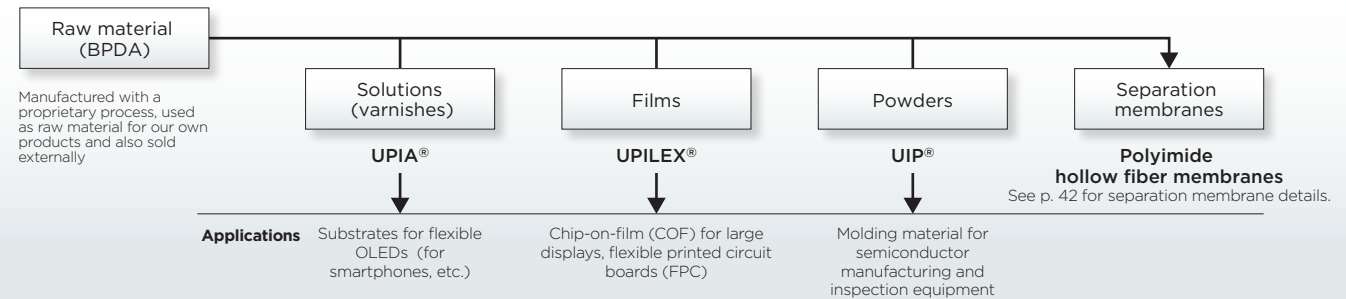
- Contributing to the health and prosperity of people around the world through the development and manufacture of new pharmaceutical products



Growth Strategies for Specialty Businesses



Polyimide chain



Social and market analysis

Polyimide resin, with its superior strength and heat resistance, is used in a wide range of fields—from televisions, smartphones, and automobiles, to aerospace. UBE's polyimides have gained high market shares in COF films used in large displays as well as varnishes for flexible OLEDs. In a growing market that is becoming ever more variegated with the shift to OLEDs in PCs and tablets, the diversification of smartphone designs, high-speed communications, higher battery capacities, and semiconductor miniaturization, expectations for UBE's polyimide are high, necessitating the development of products that can meet increasingly sophisticated technological requirements.

New medium-term management plan growth strategies

We will further develop our strengths in the field of display applications. We will maintain our high market share in films for COF and establish a position as the de facto standard in next-generation display materials by developing next-generation varnishes (ultra heat resistant, high strength, high transparency, etc.) that will contribute to higher performance and more diverse designs for smartphones.

We will also continue to expand sales of films for FPCs and promote the adoption of our newly developed low-dielectric films in high-frequency circuit board applications.

With the expansion of our manufacturing facilities for films and BPDA, a raw material we use in our own products, we have established a supply system that can meet these demands, and we will grow our business through activities to expand sales as

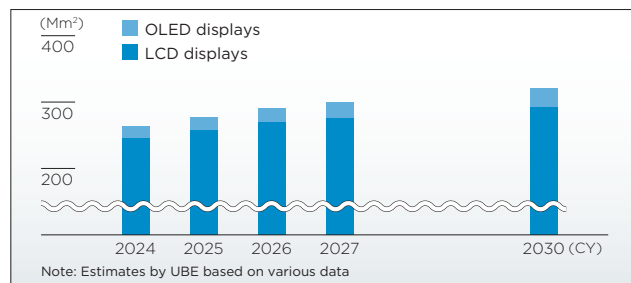
well as to develop markets for the results of our R&D.

In addition, we are developing polyimide binders that control the expansion of silicon in silicon negative electrodes to contribute to increased lithium-ion battery capacity, and will promote their adoption for use in mobile devices and xEVs. For semiconductor applications, we are developing new polyimide powders for molded parts used in manufacturing and inspection equipment.

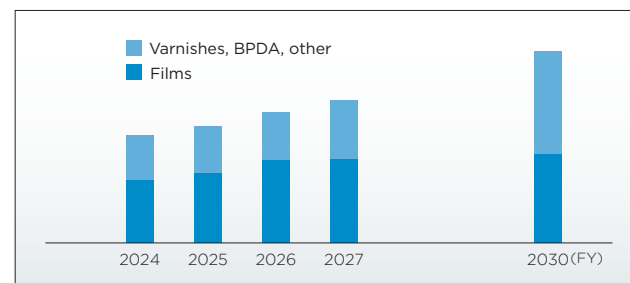
We are also developing environmentally friendly water-based polyimide varnishes that avoid the use organic solvents and are exploring product applications.

UBE will continue contributing to the realization of a sustainable society through the expansion of its polyimide business.

Display market (screen area) growth outlook



Polyimide business net sales



Non-financial capital that supports our strategies (sources of competitiveness)

Technological capabilities: We are the only manufacturer that engages in integrated polyimide production spanning BPDA for our own raw material use to varnishes, films, and powders, and we possess proprietary molding and processing technologies. In addition to our high technological capabilities, we have earned a reputation in the market for distinctive polyimide products backed by our extensive track record and reliability in display applications.

R&D and intellectual property: We are developing next-generation products to meet the needs of society, such as the increasing sophistication of electronics and growing awareness of the global environment. UBE will further enhance the brand power and competitiveness of its products, backed by its strengths in the development of BPDA-based polyimide products and its extensive intellectual property.

Growth Strategies for Specialty Businesses



Separation membranes

Example applications

Environment and energy		CO₂ Removing CO ₂ from mixed CO ₂ and CH ₄ to obtain pure CH ₄		• Separation and removal of CO ₂ from biogas generated from livestock excrement and landfills to produce biomethane
		Hydrogen Obtaining hydrogen and other useful gases from mixed gases		• Hydrogen recovery for use in oil refineries as well as methanol, ammonia, and renewable energy production
		Organic vapor dehydration Removing water from alcohol and other organic solvents		• Production of sustainable aviation fuel (SAF) • Bioethanol refining
Environment and safety		Nitrogen Removing oxygen from compressed air to obtain nitrogen		• Explosion protection for oil, gas, coal, and chemical plants, etc. • Explosion protection for aircraft (OBIGGS)
		Dehumidification Removing water vapor from compressed air to obtain dry air		• Pneumatic equipment for railroad and machine tools, etc. • Medical equipment • Analytical equipment

Social and market analysis

In response to the volatility of fossil fuel prices against the backdrop of environmental policy and security concerns, the diversification and stable procurement of energy and resources are being promoted. As part of this, initiatives are being conducted to produce biomethane by separating and removing CO₂ contained in biogas generated from livestock waste and landfills, mainly in the United States and Europe. In addition, as governments and companies work toward decarbonization, attention is also being paid to switching to new energy sources such as bioethanol, sustainable fuels, and hydrogen, increasing demand for separation membranes that can contribute to energy-related technology development and solutions and in turn realize a green society.

New medium-term management plan growth strategies

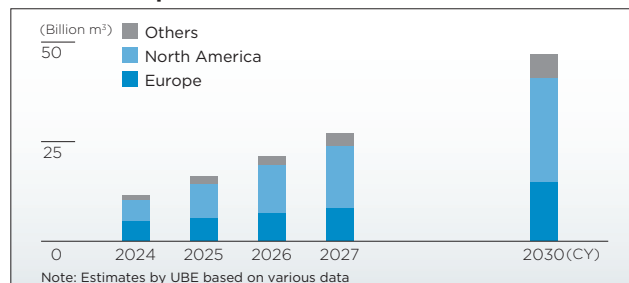
As part of the processes involved in separating and concentrating gasses and vapors, methods including distillation, absorption, and adsorption are used. Another, more energy-efficient method, membrane separation, began to be used in the 1980s, and since that time its reliability and recognition have only grown.

Utilizing proprietary polyimide technology, UBE launched separation membranes offering excellent durability as well as gas permeability and separation performance in the 1980s. Since then, we have continued to enhance our product capabilities and engage in challenging R&D to solve global environmental issues. We have increased our presence in the market through the manufacture and supply of superior products, and, as one of our top environmentally friendly

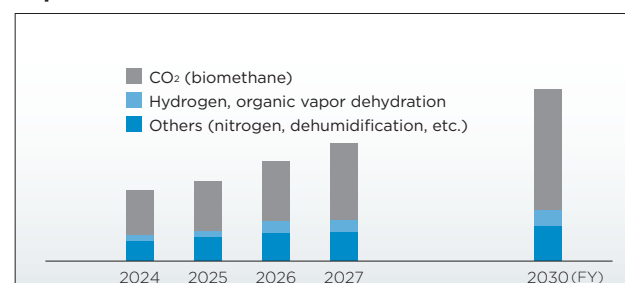
products and technologies in the UBE Group, our separation membranes promise to play an active role in the future.

To meet the increasing demand for separation membranes, including in applications in biomethane purification as an alternative to fossil fuels, we are expanding our polyimide hollow fiber production and separation membrane module production facilities. As they come online, we will establish a solid supply system. Together with this, we will further strengthen our product capabilities and marketing activities with a focus on the environmental and energy fields. Through these efforts, we will raise the sales ratio of environmentally friendly products to more than 80% of all separation membrane products by fiscal 2030, and establish a business model that will allow us to grow sustainably.

Biomethane production outlook



Separation membrane net sales



Non-financial capital that supports our strategies (sources of competitiveness)

Technological capabilities: UBE's separation membranes, made using raw materials produced in-house, offer excellent gas permeability, separability, and durability. In addition, membrane separation is gaining recognition in recent years because it is energy-saving and maintenance-free.

R&D and intellectual property: Through repeated verification and repetition of molecular, material, strength, and process design of our separation membranes, we have enhanced and advanced the technology and have also accumulated a wealth of big data. Going forward, we will continue to strengthen the competitiveness of our products and engage in research and development to solve global environmental problems.

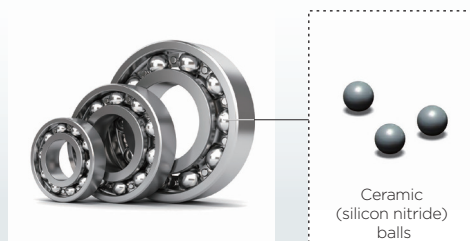
Growth Strategies for Specialty Businesses

Ceramics (Silicon Nitride)

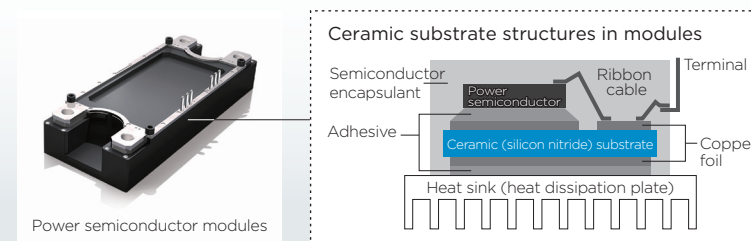


Examples applications of ceramics in xEVs

Motor bearings



Insulating heat dissipating substrates for power semiconductor modules



Social and market analysis

Silicon nitride's wide range of applications includes bearings, substrates, cutting tools, glow plugs, and components for semiconductor manufacturing equipment. Demand in fiscal 2024 was generally firm. xEV market growth is slowing but this market is still expected to continue to grow in the medium to long term, and demand is expected to increase for bearing and substrate applications. In bearing applications, the need for silicon nitride balls, which are lighter and more wear-resistant than steel balls and deliver both durability and reliability, is increasing, especially for high-end vehicles. In substrate applications, silicon nitride's use for power semiconductor substrates is expanding due to its excellent insulation and heat dissipation properties.

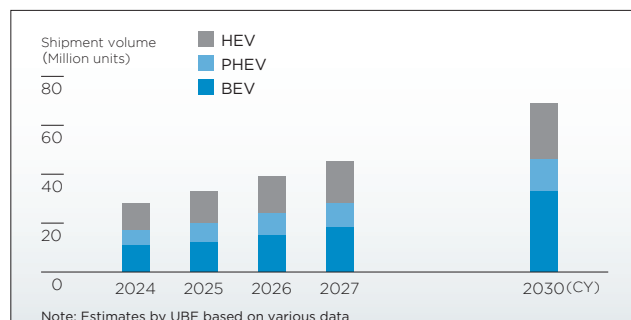
New medium-term management plan growth strategies

UBE is expanding its silicon nitride production facilities at its Ube Chemical Factory to meet demand that is expected to continue to grow. Scheduled to come online in 2026, capacity will increase by approximately 50% compared to the current production capability. In bearing applications, demand is rising for use with xEVs, in addition to the existing solid demand for such areas as machine tools. Further, the use of ceramic bearings is expanding not only in luxury cars but also in mass market vehicles. UBE will build a supply system to meet the increasing demand for high-quality silicon nitride powder and maintain a high market share for relevant applications, especially in high-end areas. Meanwhile, for substrate applications, the shift from

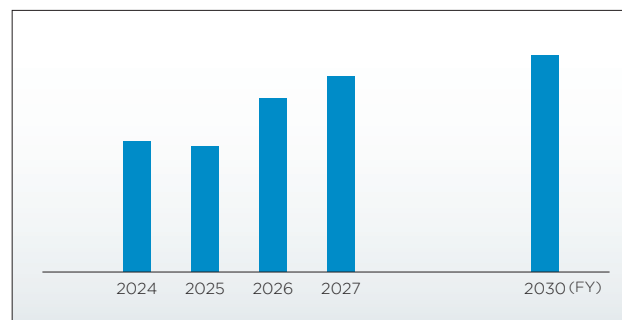
traditional silicon-insulated gate bipolar transistor modules to silicon carbide modules in power modules, driven by the rising power output of xEVs, is pushing operating temperatures beyond 200° C. Silicon nitride excels under these conditions, making it highly reliable for the demanding specifications of automotive applications. UBE anticipates further adoption of its silicon nitride in this field.

We are also focusing on developing new markets outside of bearings and substrates where the characteristics of silicon nitride can be utilized, and are developing new powder grades and products necessary for this purpose.

xEV passenger car sales forecast by type



Ceramics net sales

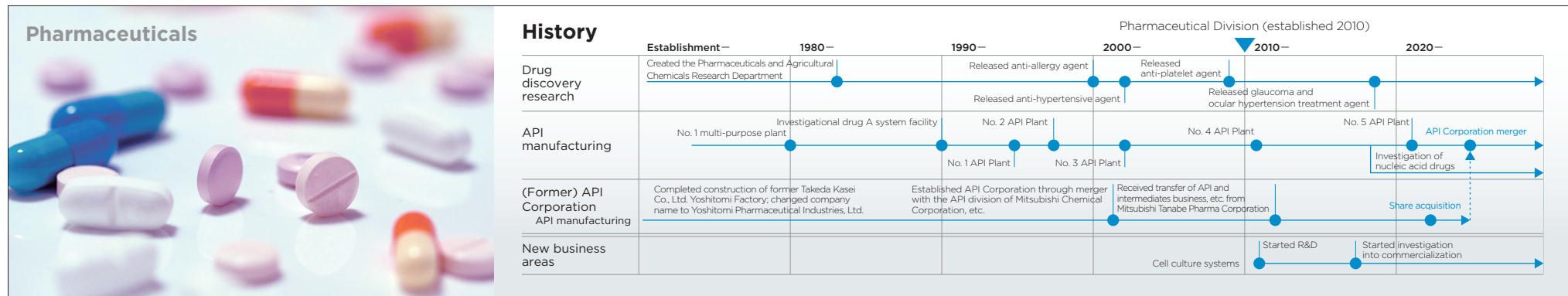


Non-financial capital that supports our strategies (sources of competitiveness)

Technological capabilities: UBE produces high-performance, high-grade silicon nitride powder using a proprietary imide decomposition process. With its high strength, high purity, and high durability, we have established a reputation in the market as the global standard for silicon nitride raw materials and have built an extensive track record in turn.

R&D and intellectual property: We are developing silicon nitride powders for new applications by taking advantage of our ability to produce uniform particle size, low impurity levels, and a precisely controlled microstructure.

Growth Strategies for Specialty Businesses



Social and market analysis

The global pharmaceutical market is expected to continue to grow at an annual rate of about 5-8% going forward due to aging populations in developed countries and population growth in developing countries. The role of medicine and pharmaceuticals is also becoming even more important as the development of innovative new treatment methods such as gene therapy and cell therapy are becoming more widespread.

In order to respond to this situation, the rapid supply of pharmaceuticals has shifted from individual countries and companies to a variety of alliances and other international systems of cooperation.

New medium-term management plan growth strategies

Strengthening existing businesses

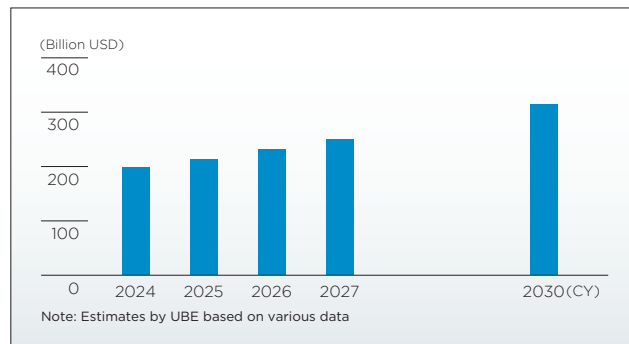
In our CDMO business, we merged with and absorbed API Corporation in fiscal 2024. We will build an optimal production system with two bases in Yamaguchi Prefecture (Ube) and Fukuoka Prefecture (Yoshitomi), maximize capacity, and reduce costs to achieve higher profitability and strengthen competitiveness. In the area of drug discovery research, we will focus not only on conventional small molecule drugs but also on new modalities such as antibody-drug conjugates (ADCs). We will also utilize open innovation and alliances with other companies to speed up and further vitalize our research activities.

Creation of new life science business

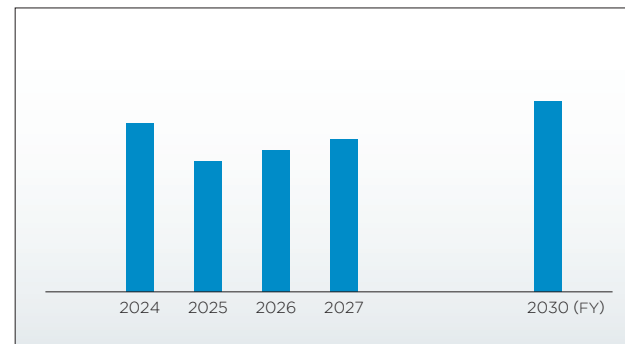
We will aim to create a new life science business by combining the organic chemistry and biochemistry technologies and expertise cultivated by our pharmaceutical business to date with new technological resources both internal and external.

As an example, we will explore commercialization in the areas of drug discovery research support and regenerative medicine with biomimetic systems and cell supernatant production that utilize cell culture systems based on polyimide porous membranes. We are also looking at M&A to accelerate this process.

Global small molecule API market growth outlook



Pharmaceutical business net sales



Non-financial capital that supports our strategies (sources of competitiveness)

Technological capabilities: In addition to our conventional drug discovery and organic synthesis technologies, we possess a lineup of nucleic acid and enzyme reaction technologies as well as technologies for handling high-potency pharmaceuticals. Further, our strengths include our solution services based on a track record of producing and developing high-quality APIs supported by advanced quality assurance systems to ensure compliance in Japan, the United States, and Europe.

Alliances: Not limiting ourselves to in-house research, we are also promoting efficient R&D by proactively partnering with external organizations, such as investing in the University of Osaka venture Luxna Biotech Co., Ltd., participating in the RNA-targeted drug discovery technology development project conducted by the Japan Agency for Medical Research and Development, and making use of open innovation.

Special Feature: Global Action I

Global expansion of C1 chemicals and high performance urethane

We are building a new plant for our C1 chemicals business to become the sole supplier of DMC and EMC in the United States. We also recently acquired the urethane systems business of LANXESS of Germany as a downstream business. The UBE Group will accelerate its global expansion, starting from the United States.

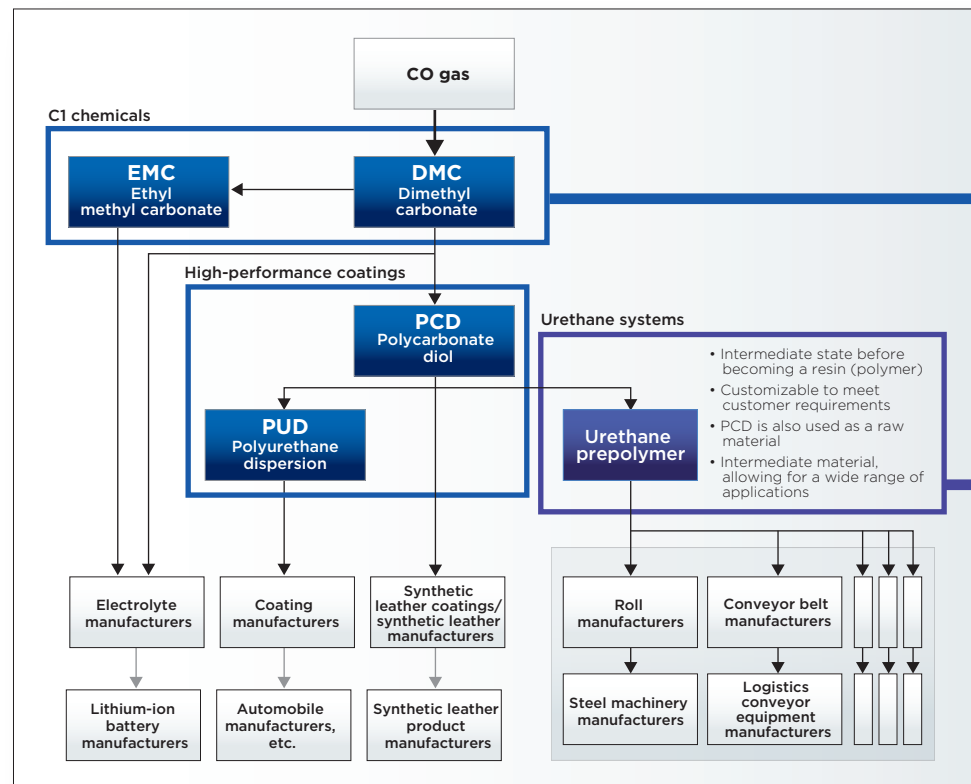
C1 chemicals and high performance urethane chain

The UBE Group's C1 chemical chain is a group of products which use carbon monoxide as a raw material based on proprietary technology, one representative example being DMC. UBE's DMC is produced with a unique nitrite process invented in the 1970s while developing a new way to manufacture oxalic acid. It is characterized by its high quality, and the fact it is made without the formation of by-products, unlike other companies' manufacturing processes, and is suitable for lithium-ion battery electrolyte and semiconductor manufacturing process applications. With demand expected to grow in the U.S., we are currently constructing a new plant to become the sole supplier in the country.

We are also aggressively expanding downstream in the areas of PCD and PUD.

In addition, we have acquired the urethane systems business of LANXESS of Germany—the largest such business based in the United States—as a urethane-related business downstream from DMC and PCD. Our C1 chemicals (namely, DMC and EMC), high performance coatings (i.e., PCD and PUD), and this high performance urethane business form a linked chain which will demonstrate global synergies supported by a wide array of applications.

C1 chemicals and high performance urethane chain



Operation scheduled to start in the second half of FY2026

Construction of DMC and EMC plant in the U.S.

Will become the only DMC and EMC supplier in the U.S. to capture growing U.S. demand for lithium-ion batteries

UBE Group strengths

- High purity products suitable for electrolyte and semiconductor applications
- High cost competitiveness due to proprietary manufacturing process using CO and methanol as main raw materials
- Able to produce only DMC as the end product without by-products.
- Able to achieve carbon neutrality in the future through the use of biomethane and green methanol, etc.

Business acquired in April 2025

Acquired urethane systems business of LANXESS of Germany

Acquired business downstream from C1 chemicals, which, combined with our high-performance coatings, is accelerating growth as a "high performance urethane business"

UBE Group strengths

- A track record of over 70 years, a high level of expertise, application development know-how, and a solid customer base
- Global manufacturing and development bases with a focus on North America
- Custom-made solutions to meet customer needs
- Strengths in high-end applications such as for the semiconductor industry

Special Feature: Global Action I—C1 Chemical Chain

Steadily launching a new DMC and EMC plant in the U.S. with the aim of making it a major global base in addition to Spain and Thailand

DMC and EMC are major components of electrolyte solvents in lithium-ion batteries, and DMC is also used as a developer in semiconductor manufacturing processes. While demand is expected to continue to grow in the U.S. with the spread of electric vehicles and digitalization, the country is entirely dependent on imports from the UBE Group or Chinese manufacturers.

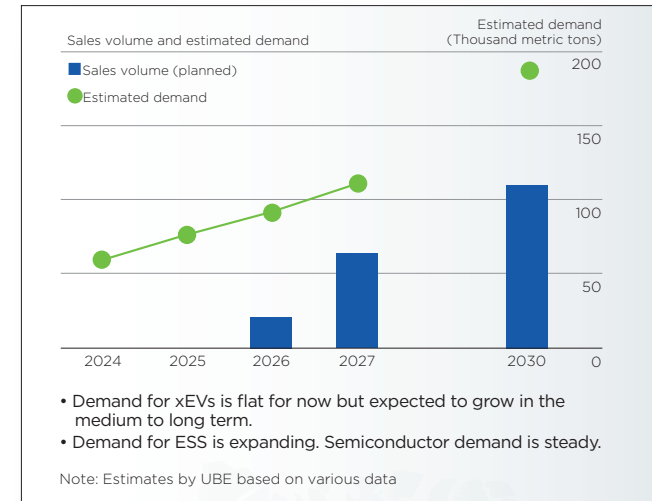
Aiming to become a part of the supply chain in the U.S. market, the UBE Group is constructing a large-scale plant in Louisiana, scheduled to start operation in the second half of fiscal 2026, with an annual production capacity of 100,000 tons of DMC and 40,000 tons of EMC derived from DMC. Louisiana has advantages in terms of location, raw material costs, and transportation costs, with good access to electrolyte manufacturers in the U.S. as well as inexpensive natural gas and various services from industrial parks, and river and rail transportation networks.

While demand for xEVs such as hybrid and electric

vehicles has cooled off, it remains within expectations, and demand for DMC and EMC in the U.S. is anticipated to increase over the medium to long term. In addition, with demand for energy storage systems (ESSs) expanding and demand for semiconductors expected to increase steadily, we will work to achieve full operation and sales as soon as possible.

Under our medium-term management plan, we will establish an operational structure with UBE C1 CHEMICALS AMERICA in charge of this project, hire local core human resources for business operations, and promote collaboration with the UBE Group's U.S. bases. As the only supplier in the U.S., we will meet our customers' needs for a stronger supply chain and establish our presence as a market leader, aiming for sales of ¥40 billion in fiscal 2030. In the future, we also plan to expand into polycarbonate diol (PCD) and water-based polyurethane dispersion (PUD), which are downstream products in the C1 chemical chain.

DMC and EMC demand outlook in the U.S. and sales volume of UBE Group U.S. locations



Chinese competitors
DMC: 1 million metric tons
EMC: 0.8 million metric tons

Japan
DMC: 15,000 metric tons

Chinese joint venture
DMC: 10,000 metric tons

USA
(operation starting in second half of FY2026)
DMC: 100,000 metric tons
EMC: 40,000 metric tons*

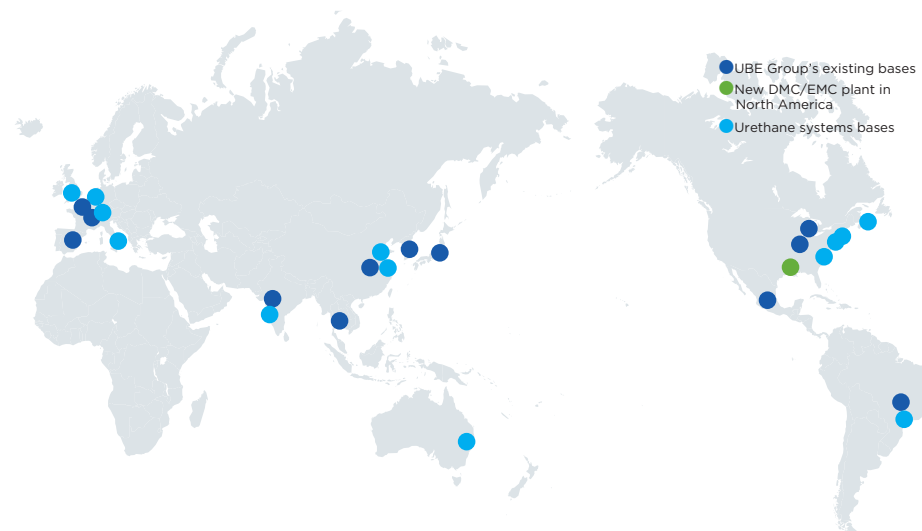
* Converting DMC to EMC

- U.S. demand relies entirely on imports from the UBE Group or China.
- The UBE Group is the only company building a DMC and EMC plant in the U.S. and will remain the sole supplier for now.
- The Group will meet customer needs for a stronger supply chain, achieving stable production and supply.

Special Feature: Global Action I—Urethane Systems

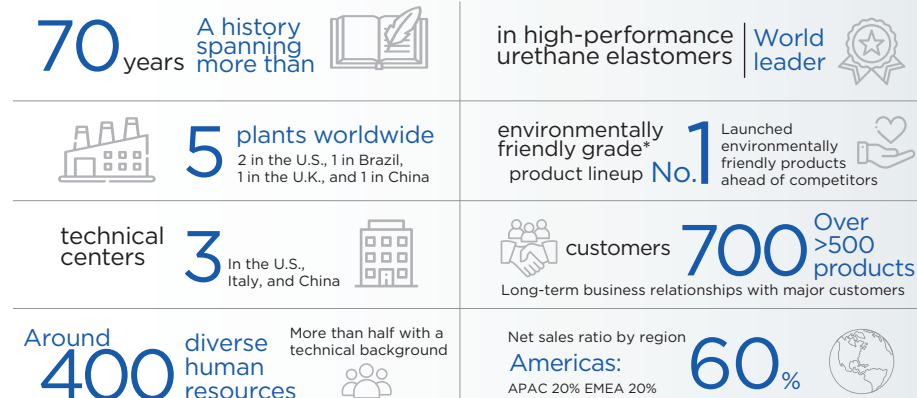
Having acquired our new urethane systems business, we will aim for further specialization and growth through integration with the C1 chemicals and high-performance coatings businesses.

On April 1, 2025, UBE acquired the urethane systems business of German chemical manufacturer LANXESS, becoming one of the world's leading manufacturers in urethane elastomers. Urethane elastomers are used as substitutes for rubber and metals in a wide range of industries, from advanced industries such as semiconductor applications to industrial machinery and sporting goods. The urethane systems business we acquired is located downstream and peripheral to PCD and PUD, and has the world's leading share in prepolymers for thermosetting high-performance urethane elastomers. With expertise and application development know-how cultivated over 70 years of history and a strong customer base, this business provides solutions to meet customer needs through a global network of manufacturing and development bases, with the United States, the location of the largest base, at the core. The urethane systems business is especially competitive in high-end applications that require high performance, such as in the semiconductor industry. UBE Group will strengthen its presence in the high-performance urethane resin market by acquiring superior management assets, such as technical capabilities and manufacturing know-how related to urethane resins, partnerships with customers, and sales networks. Under our medium-term management plan, we aim to position the urethane systems business as a driver of global growth by steadily pursuing post merger integration (PMI) and generating synergies across the UBE Group, with the U.S. as the starting point.



Key growth point 1

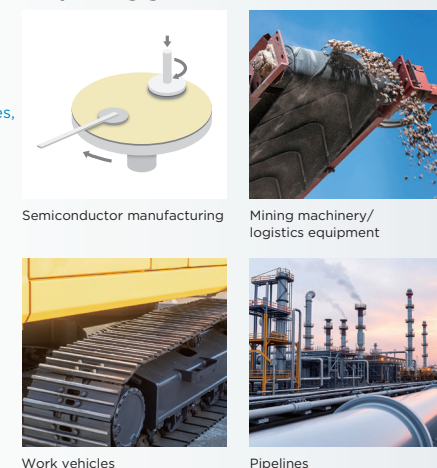
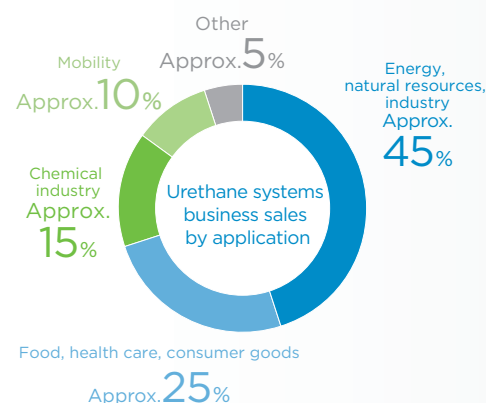
Urethane systems business competitive advantages



* Toxic substances (isocyanates) that may remain in urethane products are suspected to have adverse effects on the respiratory tract. For the safety of workers, European legislation on residual concentrations of isocyanates was further tightened in 2023. The UBE Group's urethane systems business was quick to adapt to European regulations and provide solutions that meet the requirements.

Key growth point 2

Contributing to a wide range of fields from advanced industries such as semiconductors to industrial machinery and sporting goods



Special Feature: Global Action II

Business structural reforms

The UBE Group is actively investing in its specialty businesses to realize its vision for 2030. At the same time, we are working on early withdrawal and downsizing of production of ammonia, caprolactam, and nylon polymers, and are promoting Groupwide business structural reforms.

Structural reform background, objectives, and effects

The UBE Group has decided to implement structural reforms to its ammonia, caprolactam, and nylon polymers businesses. During the previous medium-term management plan, we considered suspending production of caprolactam in Japan and ammonia by 2030 (production capacity of caprolactam was already reduced in May 2024). However, due to the impact of oversupply by Chinese companies and other factors, the deterioration of the business environment, particularly in the Asian market, has exceeded expectations, and a recovery is unlikely in the future. Accordingly, we have determined the need to accelerate our structural reforms, including overseas. Ammonia, caprolactam, and nylon polymers are experiencing high market volatility and declining profitability. Our structural

reforms are expected to reduce the impact of market fluctuations on the performance of these products, thereby stabilizing performance and improving profitability. In addition, by suspending operations of facilities that emit large amounts of greenhouse gases (GHG) ahead of schedule, we expect to achieve and exceed our GHG reduction target for fiscal 2030 (a 50% reduction from fiscal 2013 levels) by the end of fiscal 2028. Impairment losses and other losses related to this matter were recorded in fiscal 2024. The cost of dismantling and removing the facilities is expected to be approximately ¥30 billion, which will be allocated in accordance with work progression from fiscal 2027 onward. With this decision, we are now on track to resolve a longstanding concern.

Japan

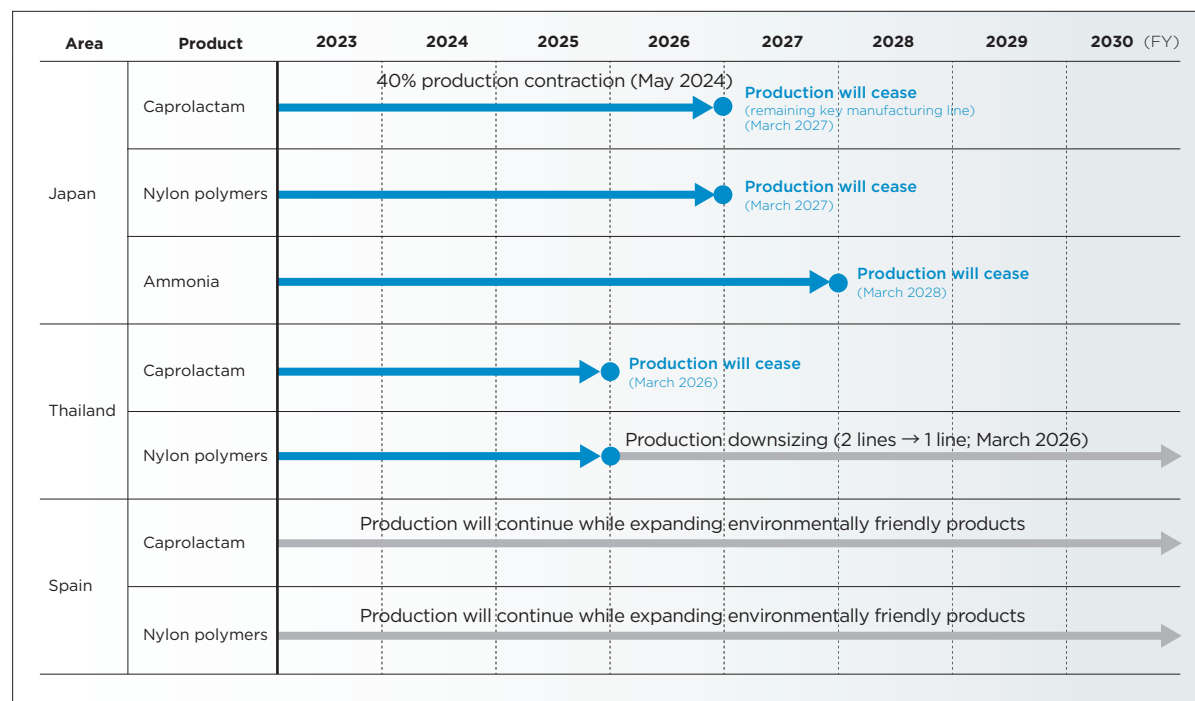
For ammonia and related product groups, we have moved up the date of production stoppage from our initial estimation to March 2028. Production of caprolactam (remaining key manufacturing line) and nylon polymers will be further accelerated, with the cessation of production in March 2027, including cyclohexanone, a raw material.

Thailand

UBE Chemicals (Asia) Public Company Limited, our core company in Asia, will cease production of cyclohexanone and caprolactam in March 2026 and reduce production capacity for nylon polymers. UBE Fine Chemicals (Asia) Co., Ltd. will also stop production of 1,6-hexanediol and 1,5-pentanediol, which are byproducts of cyclohexanone.

Spain

UBE CORPORATION EUROPE S.A.U., our core company in Europe, will continue production of caprolactam and nylon polymers while expanding environmentally friendly products such as recycled and bio-based nylons and also working to achieve caprolactam plant carbon neutrality. Meanwhile, to improve profitability, we ceased production of cyclohexanone, 1,6-hexanediol, and 1,5-pentanediol in April 2025.



Message from the Officer in Charge of R&D



We will leverage our technologies and human resources to strengthen our R&D capabilities and create the next generation of core competencies.

Yoichi Yoshida

Executive Officer,
General Manager, Research & Development Division,
with responsibility for Development section and Deputy responsibility
for M&A Promotion Office

The Research & Development Division's mission is to continue advancing innovation in next-generation core technological competencies that will give UBE a competitive edge in the future.

Our ability to compete in the harsh global market comes from our people who are passionate about our Purpose of "Breaking Through with the Chemistry of Hope." and our unique core technologies meticulously

developed by our predecessors. To these we are adding our insight to future market needs, fresh ideas from academia and startups, and the power of DX.

We define our core competency focus areas through both forecasting and backcasting. We narrow down our research and development priorities by anticipating future social and environmental issues and market needs, then use our current business as a platform for projecting how

to evolve our present core technologies to create new products. These efforts are further supported by open innovation with national projects, university research, and startup collaborations.

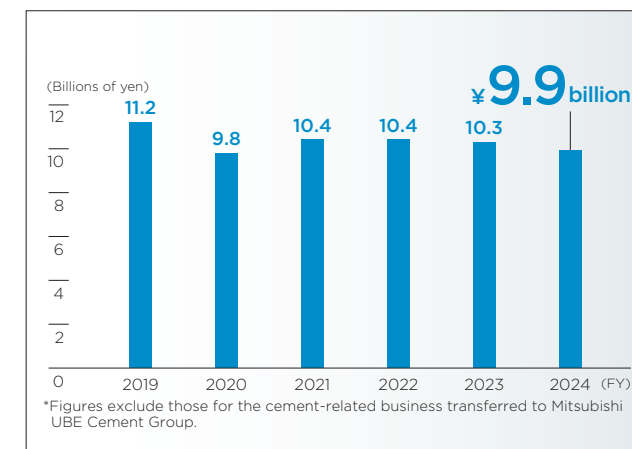
For our R&D in the specialty businesses, it will be critical to gather data on future societal and business trends to use as a basis for proposing solutions. For that reason, the R&D department is cultivating talent through training in marketing fundamentals and technical management for new product development. We also hold in-house technical exchange meetings to bring together various industrial perspectives, dispatch employees to universities and startups, and promote diverse perspectives and innovation by hiring former UBE employees with external experience and by facilitating employee exchanges among our global sites.

A key current initiative is advancing our proprietary molecular and material design technologies using material informatics and computational chemistry to create new functional materials. This will accelerate the development of higher-performance, sustainable materials and enhance our competitiveness in global markets.

Corporate R&D focus markets and technologies

Area	R&D Theme	Examples of social implementation
Information electronics	Electronic material films Optoelectronics Heat-dissipating composite materials	- Electronic material films Improving mobile communications functionality - Optoelectronics materials Energy-saving information processing
Mobility	Weight reduction (fewer parts, reduced manufacturing processes, metal substitution)	- Instrument panel reinforcement module Contributing to vehicle weight reduction (fewer parts) - Multi-layer tubing system with dissimilar material joining Enabling improved durability
Life sciences	Biomimetic systems, cell product manufacturing, cell culture food materials	- Cell utilization therapy Contributing to a healthy, long-lived society - Cultured meat Addressing food issues and environmental protection
Sustainability and global environmental issues	Composite material upgrade recycling CO ₂ upgrade recycling CO ₂ separation and recovery	- CO₂ electrolysis technology Contributing to global environmental issues - CO₂ separation and recovery Recovering CO₂ with low energy consumption

R&D expenditure



R&D

Basic policy under the medium-term management plan

Starting in fiscal 2025, the Research & Development Division has been promoting organizational restructuring aimed at sustainable corporate growth and a stronger competitive edge with a mission to “creating core competencies through technology development that will shape the future” based on the medium-term management plan. The development sections that were previously under the control of business divisions have been integrated as divisional R&D to strengthen cooperation with corporate R&D on research and development themes, human resources, and technology. Corporate R&D is also responsible for medium- to long-term themes in existing business domains, implementing strategic research and development that combines backcasting and forecasting. Furthermore, with the aim of achieving a transformation into a research and development-based company, we are increasing the number of R&D personnel, as well as strengthening and acquiring core technologies by leveraging material informatics and computational chemistry to bolster our molecular and material design technologies. We are also focusing on securing and developing specialty human resources with solution proposal capabilities through external assignment of employees, mid-career recruitment, and development of the education system. To realize an environment that allows researchers to concentrate on creative work, we are actively deploying DX aimed at advancements in operations, including electronic laboratory notebooks and structuring of information using generative AI. Through such initiatives, we aim to create new value in the specialty chemicals field.

UBE's core technologies

UBE possesses an extensive range of core technologies, including polymer processing, inorganic and organic synthesis, ceramics, battery materials, and pharmaceuticals manufacturing. These technologies have features such as microstructure control, high selectivity, heat resistance, and continuous process implementation and support the creation

of sustainable, high functionality products in combination with our molecular and material design capabilities.

Research strategies and measures

The Research & Development Division promotes strategic research and development based on strengthening the cooperation between corporate R&D and divisional R&D with a mission to “creating core competencies through technology development that will shape the future.”

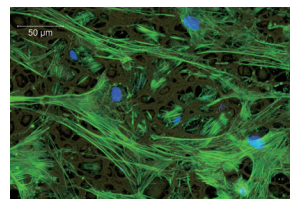
Corporate R&D

Corporate R&D is responsible for technology strategy from a medium- to long-term perspective and basic research, leveraging material informatics and computational chemistry to bolster and deepen our molecular and material design technologies. We are working to create next-generation core technologies and meet future demands through open innovation in collaboration with universities and start-ups.



UBE's proprietary porous polyimide membrane cell culture substrates feature the advantage of enabling the stable, long-term culture of animal cells.

Corporate R&D has developed innovative cell culture substrates using porous polyimide membranes.



Divisional R&D

Divisional R&D promotes efficient research and development focused on short- to medium-term issues, in collaboration with business divisions. By pursuing field-driven themes and accelerating technology implementation, we aim to boost the competitiveness of our products. In addition, we work to strengthen the company-wide technology foundation and secure a sustainable competitive advantage through cooperation with Corporate R&D.

Attracting and developing talents driving growth in specialty chemicals

In promoting growth in specialty chemicals, attracting and developing talent with both expertise and the ability to propose solutions is essential. The Research & Development Division focuses on developing talents with the ability to accurately assess information on future social and business environments and propose solutions based on this information. More specifically, we have developed multi-faceted talent development measures, including training on marketing and Management of Technology (MOT), the cultivation of an industrial perspective through meetings among internal technical teams, and the enhancement of practical skills by assigning employees to universities and start-ups. Furthermore, we work to improve our innovation capabilities by recruiting professionals with external experience and conducting talent exchange among global sites to bring in diverse perspectives and values. Through such initiatives, we aim to strengthen our talent base which is the source of our competitive edge in the specialty chemicals field.

DX initiatives

We are actively deploying DX measures to contribute to operational transformation in the R&D domain to realize an environment that allows researchers to concentrate on creative work. As an initiative that aims for operational advancements beyond simply improving efficiency, we are promoting the development of a data utilization infrastructure through the introduction of electronic laboratory notebooks and the accompanying improvement in the efficiency of organizing and accessing information. We are also promoting the development of tools to support the rapid verification of technology-market hypotheses using generative AI to structure information, and trials aimed at benefiting from these tools are currently underway. Going forward, we will aim to further improve R&D quality and speed by integrating cross-functional knowledge and gaining deeper insights through the use of AI.

Intellectual Property

Basic policy and structure

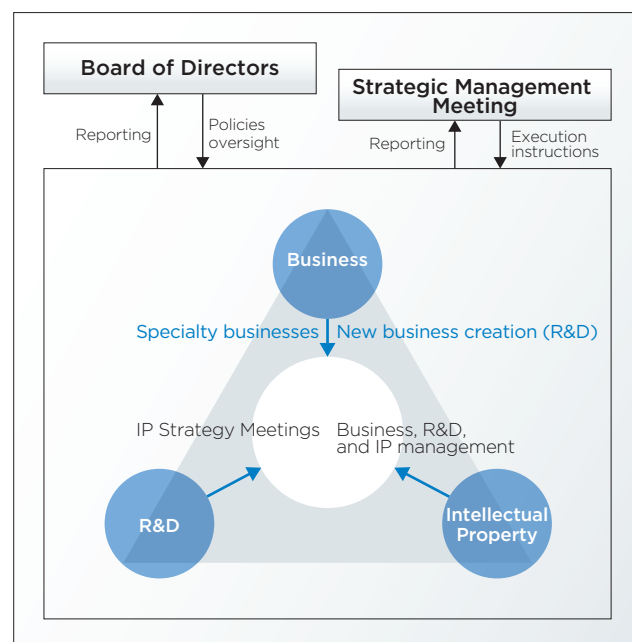
Basic policy

We will gain a sustainable competitive edge in our specialty chemicals by having our business, R&D, and intellectual property (IP) departments collaborate closely in IP initiatives.

Structure

For the specialty business, we hold IP strategy meetings to realize its ideal vision. There, we deliberate on IP acquisitions and review the status of IP investments.

Regular reports on overall IP activities go to the Strategic Management Meeting and the Board of Directors. They issue instructions on and oversee policies and execution approaches for IP efforts.



Medium-term management plan and intellectual property

IP initiatives under the medium-term management plan

Under UBE Vision 2030 Transformation - 2nd Stage, the UBE Group has set five materialities (material issues) based on the Group's purpose, the UBE Corporate Philosophy, and the level of impact on society in order to realize our Vision for 2030. This section will discuss the measures that are currently being implemented or that will be implemented going forward in relation to four of these materialities, excluding ensuring occupational safety and health, process safety, and disaster prevention.

● Expanding specialty businesses

1. Existing businesses

We build an intellectual property portfolio (PF) tailored to the characteristics of existing specialty businesses, including polyimides, separation membranes, ceramics, and C1 chemicals. We draw on IP information through patent maps^{*1} and IP landscapes^{*2} to identify new issues for resolution, new applications, and prospects for alliances with other companies. For new inventions, we assess the essence of the invention and its patentability, and determine the scope of rights in view of the supply chain and future implementation approaches. We also decide appropriately on whether to keep information open or closed. In this way, we seek to sufficiently safeguard our technical achievements, establish high barriers to entry through IP, and build a sustainable competitive edge for our businesses.

In addition, we are considering the smooth transfer of intellectual property relating to the acquired urethane systems business and will ensure successful integration through an inventory of intellectual property and global intellectual property management going forward.

Please see Growth Strategies of specialty businesses on pages 39 to 47 for progress with current R&D efforts in specialty businesses.

^{*1} A patent map is a visual representation from collecting, analyzing, processing, and organizing patent information into charts, graphs, and other visual information.

^{*2} IP landscape is an analysis of management and business information incorporating IP information in formulating management and business strategies and sharing results (including overviews of current situations and prospects) with management and business leaders.

2. Corporate R&D

At each stage from theme exploration to commercialization, we research and analyze IP information and provide insights to the Research & Development Division about technological trends and competitor activities.

We contribute to creating core competencies by tapping IP information from early R&D stages, helping develop themes, exploring new businesses, and building collaborative partnerships.

3. M&A and alliances

We will clarify the potential for creating synergies and cooperating by assessing the technology and IP of targets through intellectual property due diligence (DD) from the earliest stages of evaluation.

● Empowering and engaging a diverse workforce

1. IP experts

We assess the specialized skills our existing talent currently possess and create training plans that match the characteristics of each individual to increase their expertise. We also recruit diverse talent, including mid-career and new graduate recruitment. In addition, we also send employees to global business leadership training programs and provide support for them to obtain external qualifications related to IP.

2. Increasing IP literacy across the UBE Group

We have undertaken a range of IP education initiatives to foster a culture that values and respects IP. In the past year, we have expanded the implementation of e-learning and raised in-house awareness of patent valuation methods.

● Addressing global environmental issues

1. U-BE-INFINITY™, our environmentally friendly products brand

In April 2024, UBE Group launched the environmentally friendly product brand, U-BE-INFINITY™. This brand is assigned to environmentally friendly products developed

Intellectual Property

by the UBE Group that demonstrate particularly outstanding environmental contributions, enhancing the added value of the certified products.



Registered Trademark No. 6884758

2. Coexisting with nature

By sharing patent information related to three perspectives (carbon neutrality, circular economy, and nature positive), we contribute to progress in R&D and creation of new businesses in these areas.

● Upholding integrity and fairness in corporate governance

1. Intellectual property clearance

We respect the IP rights of other companies as we do our own. We accordingly do our utmost to conduct intellectual property clearance searches and minimize business risks in existing businesses and at the commercialization stage in R&D.

2. Establishment of intellectual property procedures

In line with the review of our next IP management system, we will review the IP workflows and update procedural documents. This will further enhance our internal control systems.

Enhancing corporate value through our IP strategy

Progress of IP activities in specialty businesses

In the past year, we sustained and strengthened IP activities in specialty businesses. More specifically, we enhanced both the quality and frequency of IP Strategy Meetings and IP Activity Meetings at the staff level. In

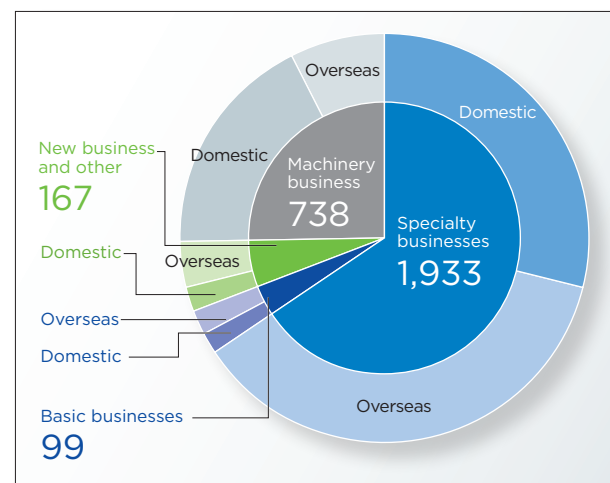
using a patent value assessment tool, we increased the number of patents examined and analyzed with a continued focus on the number of patents, the status of patents acquired globally, and the level of interest from other companies in our patents.

We consistently implemented patent portfolio expansion through patent filings to protect our technologies and patent clearance activities. This approach provides an environment in which customers solve issues with UBE's patented products and services, which they can use with confidence.

Status of patents held

We focused on securing patents for inventions. As a result, the total number of patents held increased from the previous fiscal year. In particular, the number of patents held related to specialty businesses increased. The proportion of patents in specialty businesses was also higher.

Number of registered patents by portfolio (As of March 31, 2025)



* Patents held by UBE and some Group companies

Inventor incentives

In line with employee invention rules, we incentivize inventors upon applying for, registering patents, and commercializing registered inventions. Also, at the UBE Group R&D presentation meetings, we honor inventors of patents that have contributed significantly to our business. Such recognition motivates inventors and encourages them to pursue further advances.

In fiscal 2024, we presented awards to inventors for patents in the polyimide, pharmaceuticals, composites, and fine chemicals areas.



IP DX initiatives

As well as the tools mentioned earlier, UBE is now further visualizing patents, gaining new insights, and streamlining operations by also adopting patent analysis software and AI-based patent search tools. IP operations have reached a significant turning point due to the advances in generative AI in recent years. We will actively introduce generative AI technology to promote operational transformation, concentrate resources on tasks that are uniquely human, and further enhance the functions of our IP operations. Together with consideration of the next intellectual property management system mentioned earlier, we will also visualize statistical data on IP and disseminate information that will help with management and business.

Sustainability

Approach to sustainability

The UBE Group ensures that all executives and employees are fully aware of the UBE Group Basic Policies for Sustainability and works to identify material issues and seek solutions to these issues.

UBE Group Basic Policy for Sustainability

We recognize that the establishment of sustainability management refers to a state in which a company identifies sustainability-related issues, evaluates and understands their impact, formulates and implements appropriate solutions, transparently discloses the results of such measures, and is able to operate such a system on an ongoing basis.

The UBE Group aims for sustainable growth by establishing sustainability management, building good relationships with all stakeholders, and creating new value for society.

● Scope

This policy applies to the UBE Group (UBE Corporation and its consolidated subsidiaries) and covers the entire value chain and stakeholders.

● Goal

In order for the UBE Group to grow and develop with a sustainable society for the next 100 years, we will establish the highest level of sustainability management in the industry. To achieve this, we will implement the following measures.

1. We will provide the value needed by society, continuously expand profits, and maximize corporate value.
2. We will build a corporate culture in which diverse talent can play an active role and improve work engagement.
3. We will ensure safety and quality while providing products and technologies that contribute to the environment.
4. In accordance with domestic and international laws and regulations, as well as international norms and guidelines to be observed, we will practice respect for human rights and conduct sound and fair corporate activities.
5. We will actively address global environmental problems

and contribute to the conservation and reconstruction of the natural environment.

6. We will appropriately disclose information to all stakeholders and foster smooth communication with society.
7. We respect the cultures and customs of each country and region and contribute to the development of local communities.

● Commitment

In order to establish sustainability management, we will supervise each specialized committee of the Sustainability Committee, build a system that contributes to the improvement of sustainability across the entire supply chain, and maintain an organization capable of operating it on an ongoing basis.

- By 2030, we will be ranked in the top 5% of sustainability surveys conducted by external evaluation organizations.
- We will review the goals, targets, and progress of each expert committee once a year and provide appropriate advice.
- We will engage with stakeholders at least once a year.

● Responsible Departments and Review

The Sustainability Committee supervises the implementation status of each specialized committee, with support from the Secretariat (Sustainability Department).

This Policy is subject to regular review at least once every year. Any revisions, whether as part of a scheduled review or required during the fiscal year, will be deliberated and approved by the Sustainability Committee.

Sustainability promotion structure

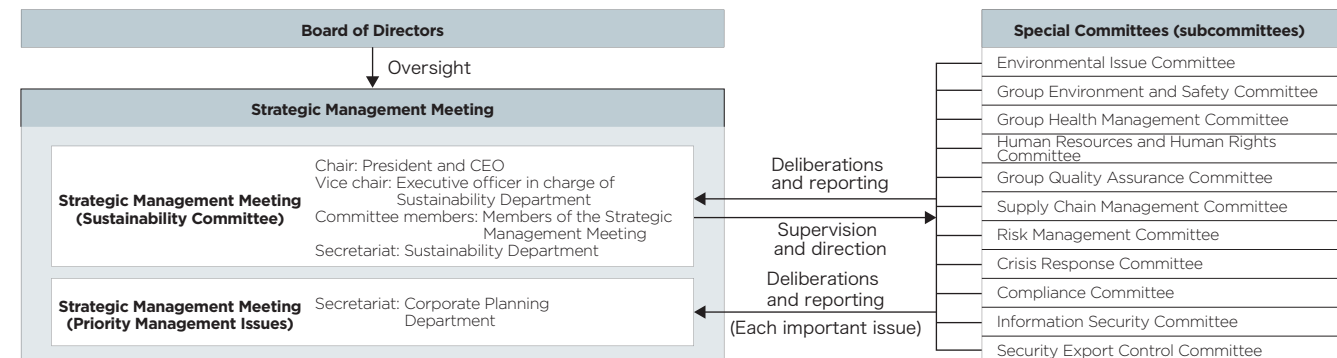
The Board of Directors oversees the policy and progress of initiatives in the promotion of sustainability activities. Under the Board of Directors, the Sustainability Committee, with the president and CEO serving as chair and the executive officer in charge of the Sustainability Department serving as vice chair, is positioned as the Strategic Management Meeting to supervise and promote Group-wide sustainability activities.

In fiscal 2024, the Sustainability Committee met three times and reviewed the UBE Group Basic Policies for Sustainability and the basic policies for each subcommittee. The committee also formulated the UBE Group Code of Conduct, which summarizes the Group's appropriate standards of behavior and values.

Please see the UBE Group's sustainability website for details.

United nations global compact

In April 2021, we signed the United Nations Global Compact and joined the Global Compact Network Japan. We participate in 13 subcommittees of the network.



Tackling Environmental Issues

Addressing carbon neutrality

UBE Group Basic Policy for Carbon Neutrality

The UBE Group will contribute to solving global environmental problems by focusing on Carbon Neutrality, Circular Economy, and Nature Positive (conservation and reconstruction of the natural environment).

The increase in GHGs in the atmosphere due to human activities has caused global warming and significant fluctuations in the climate. This climate change can lead to rapid changes in the natural environment and deterioration of ecosystem services.

Rapid changes in the climate can have an extremely serious impact on our lives and business activities.

The UBE Group will actively respond to Carbon Neutrality and fulfill its social responsibility and mission.

● Scope

This policy applies to the UBE Group (UBE Corporation and its consolidated subsidiaries) and covers the entire value chain.

● Goal

Achieve Carbon Neutrality in Scope 1 and 2 by FY2050

Promote Carbon Neutrality throughout the entire value chain (including Scope 3)

● Commitment

- In order to contribute to the realization of Carbon Neutrality throughout the value chain, we will reduce Scope 1 and 2 GHG emissions and promote the reduction of Scope 3 GHG emissions in parallel.
- We will ensure the implementation of GHG reduction targets for FY2030 and formulate measures to achieve GHG emission reduction targets for FY2035.
- By FY2027, we will formulate and disclose a roadmap for achieving Carbon Neutrality by FY2050.
- Interim Targets for Carbon Neutrality by FY2050
 - FY2030: GHG emissions reduced by 50% from FY2013 [Scope 1,2]
 - FY2030: 60% or more of sales of environmentally friendly products and technologies

● Responsible Departments and Review

The Sustainability Department is responsible for overseeing and managing this policy.

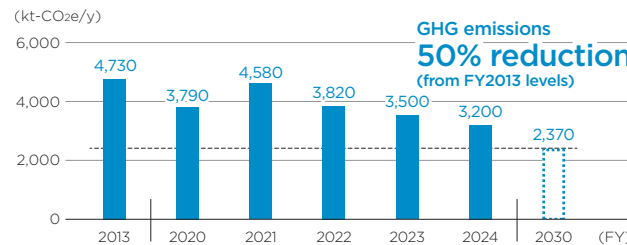
This Policy is subject to regular review at least once every year. Any revisions, whether as part of a scheduled review or required during the fiscal year, will be deliberated and approved by the Environmental Issues Committee.

Initiatives to reduce GHG emissions

In April 2025, we set a new target for fiscal 2035 as shown below.

- Reduce GHG emissions [Scope 1 and 2] by 70% from FY2013 by FY2035

Progress toward GHG emissions reduction targets



Notes: 1. Figures exclude those for the cement-related business transferred to Mitsubishi UBE Cement Corporation.
2. Figures for FY2024 may change as a result of third party verification.

FY2024 GHG emissions

Business sites	kt-CO ₂ e/y		
	Scope 1	Scope 2	Total
Chemicals business	2,700	410	3,110
Japan	1,970	120	2,090
Thailand	430	240	670
Spain	300	50	360
UBE Machinery Group	80	10	90
Total	2,780	420	3,200

Notes: 1. Please see the UBE Group's sustainability website for information on Scope 3 emissions.
2. Figures may change as a result of third party verification.
3. As figures are rounded to the nearest whole number, totals may not add up.

Roadmap for carbon neutrality

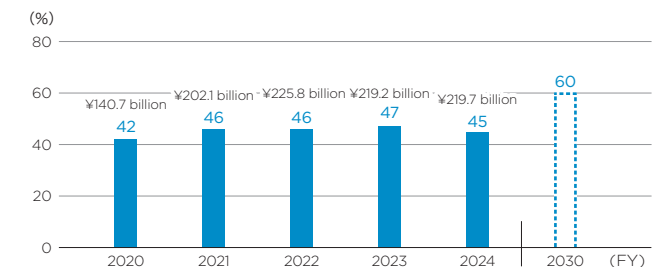
● GHG emissions reduction targets

We will continuously promote energy conservation and improve processes in our production activities, and promote the maximization of the use of renewable energy and the minimization of the use of fossil resources. Furthermore, since innovative technological development is essential to achieve carbon neutrality by 2050, we will work on research and development and practical application of non-fossilization of raw materials and CO₂ utilization technologies, including collaboration with other companies, from a medium- to long-term perspective.

● Environmentally friendly products and technologies

By promoting the development of environmentally friendly products and technologies and providing them to more customers, we aim to contribute to carbon neutrality for the UBE Group and society as a whole.

Percentage of environmentally friendly products and technologies in consolidated net sales



Note: Figures exclude those for the cement-related business transferred to Mitsubishi UBE Cement Group.

● Reforming business structure

Shifting to specialty businesses should lower GHG emissions and create a business structure that is significantly less vulnerable to market conditions. The UBE Group aims to establish a business structure with high profitability and low environmental impact based on specialty businesses.

The Group has decided to withdraw from and downsize production of ammonia, caprolactam, and nylon polymers

Tackling Environmental Issues

at sites in Japan and Thailand as profitability has declined with low expectations of any recovery in performance in the future. In Japan, production of caprolactam (remaining key manufacturing line) and nylon polymers will cease in March 2027, and production of ammonia will cease in March 2028. At our site in Thailand, we will cease production of caprolactam and downsize production of nylon polymers in March 2026. The production processes for ammonia and

caprolactam in particular produce significant GHG emissions. As a result, through the implementation of these business structure reforms, we expect to achieve our fiscal 2030 target of reducing GHG emissions by 50% in fiscal 2028.

Fiscal 2024 Initiatives

● Participating in GX League and GX Emissions Trading Scheme

We joined the GX League and the GX Emissions Trading Scheme in April 2023. In September of that year, we submitted our GHG emissions reduction targets for fiscal 2023 through fiscal 2025 and for fiscal 2030.

The GX League framework is in line with the Ministry of Economy, Trade and Industry's GX League Basic Concept for promoting a green transformation, or GX* and driving a transition toward carbon neutrality. This trading scheme within the league will run as a voluntary trading market during its initial phase in fiscal 2023 through fiscal 2025, and it has been decided full-scale operations will begin from fiscal 2026. We will focus on disclosing information and cutting GHG emissions by participating in this scheme.

* Green transformation objectives are to minimize the use of fossil fuels and adopt clean energy and undertake activities toward those goals.

● Deploying System to calculate product GHG emissions data

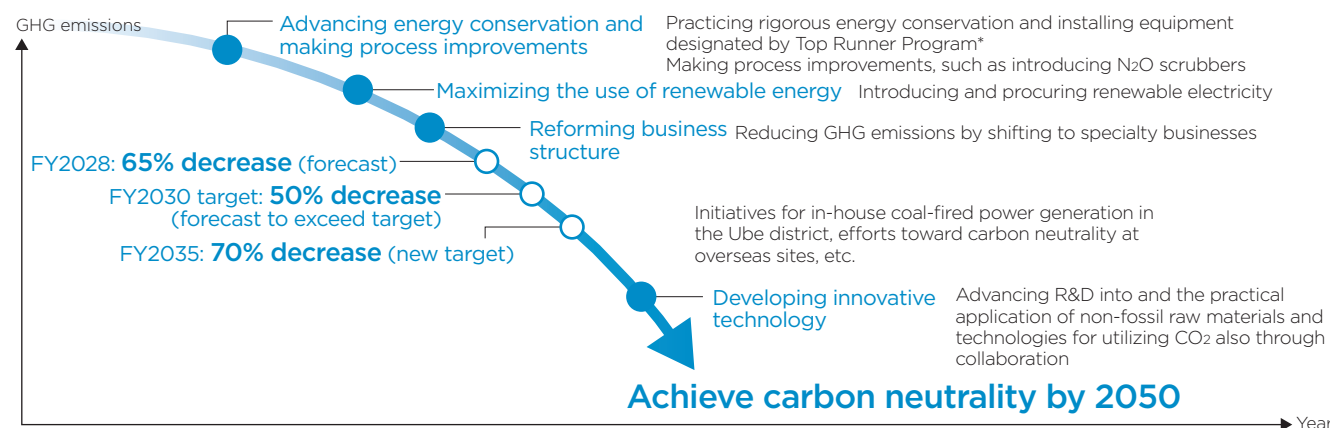
UBE and NTT DATA Japan Corporation jointly created a system to calculate product GHG emissions. In January 2023, we began providing data, including upstream supply chain data, from that system to customers. This makes it easy for customers to assess GHG emissions across their supply and value chains and contribute to efficiently implement measures to reduce these emissions.

We are using this system for products from the Ube Chemical Factory, the Sakai Factory, and the Chiba Factory of UBE Elastomer Co. Ltd.

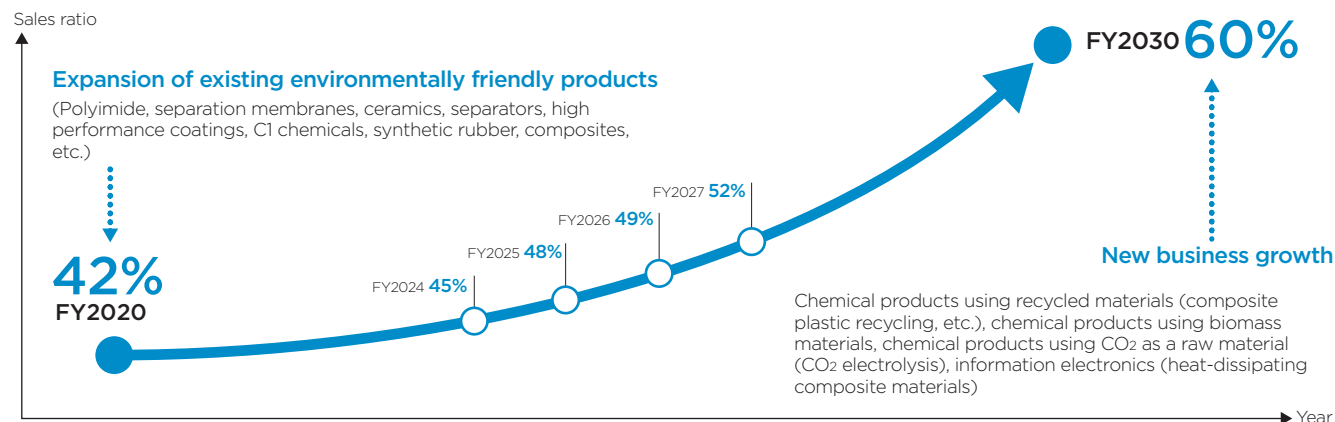
● Engaging with primary suppliers

In May 2023, we took our first step toward engaging with primary suppliers of key raw materials by surveying their efforts to address environmental issues. Their responses revealed these initiatives and identified future challenges. Based on this information, we conducted individual interviews for key primary suppliers in fiscal 2024. We will keep working with these entities to help resolve environmental issues across the supply chain.

Roadmap for carbon neutrality



Timeline for generating more than 60% of consolidated net sales from environmentally friendly products and technologies by fiscal 2030



Tackling Environmental Issues

Disclosure based on TCFD recommendations

Governance structure

The UBE Group established the Environmental Issue Committee to identify and act on problems in that regard. The president and CEO chairs the Strategic Management Meeting (Sustainability Committee), which receives deliberation reports from the Environmental Issue Committee, discusses activity plans and key issues, supervises and directs, and constantly monitors countermeasures progress. Reports on important matters regularly go to the Board of Directors, which provides appropriate oversight.

Environmental issues governance structure



Strategy

In view of efforts to tackle climate change and transition to a low-carbon, decarbonized economy, management assessed a range of scenarios for 2030 and beyond, analyzed risks and opportunities for the UBE Group under each scenario, and formulated the required strategies.

We considered and formulated 2° C and 4° C transition scenarios and a physical scenario. We analyzed the risks and opportunities for the UBE Group under each scenario. For each scenario, we confirmed that while the impacts of risks are unavoidable, we can sustainably enhance corporate value by capitalizing on the opportunities.

We analyzed these scenarios in 2019 and will consider revising them based on the 1.5° C scenario.

Risk management

We register and manage climate change responses under our risk management system, which centralizes oversight for such information and monitors progress with countermeasures. We classify risks in that system as management, important, moderate, or minor within that system. We discuss management and important risks in Strategic Management Meetings and reflect them in specific strategies and measures.

The Strategic Management Meeting (Sustainability Committee) addresses climate change as a global environmental issue and reflects its discussions into concrete strategies and measures. The Board of Directors regularly receives reports on these discussions and provides oversight. This process helps identify and specify Groupwide climate change risks. The Global Environmental Issue Committee formulates

and implements responses and action policies across the organization. The executive officer in charge of the Sustainability Department chairs this body.

Please see “Risk Management” on page 80 for more details on the UBE Group’s risk management system.

Detailed information is available in the “Risk Management” section of the UBE Group’s website:
<https://www.ube.com/ube/en/sustainability/governance/risk/>

Goals and targets

We set the following targets for fiscal 2030 relating to efforts to address global environmental issues.

GHG emissions: Reduce by 50% from fiscal 2013 levels
Percentage of consolidated net sales comprising environmentally friendly products and technologies: 60% or higher

Aggregation scope: Scope 1 and 2 for major business sites of consolidated subsidiaries
Detailed information is available in the Global Environmental Issues section of the UBE Group’s website:
<https://www.ube.com/ube/en/sustainability/environment/climate/carbon-neutral/>

GHG emissions in fiscal 2024 were 3.2 million tons*, 32% lower than the level in fiscal 2013. The percentage of consolidated net sales comprising environmentally friendly products and technologies in fiscal 2024 was 45%.

The UBE Group decided to withdraw from and downsize production of ammonia, caprolactam, and nylon polymers at its Japan and Thai sites. The business structure reform should enable us to reach our fiscal 2030 target of reducing GHG emissions by 50% in fiscal 2028. This shift should also help minimize financial risk.

*GHG emissions for fiscal 2024 may change as a result of third party verification.

Tackling Environmental Issues

Disclosure based on TCFD recommendations

Steps in considering scenario analyses

- Evaluate each scenario, including operation forecasts for in-house power generation, to assess impacts on each business area
- Analyze the UBE Group's future based on findings from each scenario

- Develop a resilient long-term strategy through 2030, with a focus on 2050

As a result of these scenario analyses, the following factors should significantly affect us financially in around 2030. Detailed information on analysis assumptions and for scenarios and assessment

steps are available in the Disclosure Based on TCFD Recommendations section of the UBE Group's website: <https://www.ube.com/ube/en/sustainability/environment/climate/carbon-neutral/>

TCFD: Task Force on Climate-related Financial Disclosures
It was established by the Financial Stability Board and published its final report (TCFD Recommendations) in 2017. The task force disbanded in October 2023 and the International Financial Reporting Standards (IFRS) Foundation took over monitoring.

Scenario Analysis

	Risk categories	Business risks / Opportunities	Impacts	Financial impacts	Period of impact	Strategies and countermeasures
Risks	Transition	Greater costs and impacts on product prices from introduction of carbon pricing	Operations	¥27.0 – 33.0 billion	Short to long terms	• Rigorously conserve energy, improve processes and pass prices on
					Medium to long terms	• Maximize renewable energy usage
					Medium to long terms	• Restructure businesses, including by shifting to specialty chemicals
					Long term	• Innovate technologies
	Transition	Adverse situation for coal-fired private power generation	Operations		Medium to long terms	• Explore phased coal-fired private power shutdowns
	Transition	Requests to expand renewable energy deployments	Operations		Medium to long terms	• Produce and procure renewable electricity
	Transition	Customers requesting disclosure of GHG emissions intensity by product and lower emissions	Products		Short to long terms	• Rigorously conserve energy and improve processes
					Medium to long terms	• Maximize renewable energy usage
					Medium to long terms	• Use non-fossil-based fuels (including biomass and from recycled materials)
	Transition	Falling product sales due to the shift to xEVs and reduced coal-fired power generation	Products	¥2.0 – 3.0 billion	Short to long terms	• Undertake in-house and collaborative R&D to create and commercialize offerings that match market needs
Physical	Shutdowns from more frequent and larger climate-related disasters	Operations	¥14.0 – 22.0 billion	Short to long terms	• Step up infrastructural and other disaster countermeasures	
Opportunities	Transition	Boost sales of environmentally friendly products and technologies that lower environmental impacts across the supply chain	Products	¥70.0 – 80.0 billion	Short to long terms	• Offer more environmentally friendly products and technologies, including polyimide, separation membranes, ceramics, separators, high-performance coatings, C1 chemicals, synthetic rubber, and composites, etc.
	Transition	Expand and create new businesses	Products		Medium to long terms	• Carbon neutral technology (chemical products using biomass materials), chemical products using CO ₂ as a raw material (CO ₂ electrolysis), information electronics (heat-dissipating composite materials)
					Medium to long terms	• Circular economy technology (chemical products using recycled materials, composite plastic recycling, etc.)

Tackling Environmental Issues

Contributing to a circular economy

UBE Group Basic Policy for Circular Economy

The UBE Group will contribute to solving global environmental problems by focusing on Carbon Neutrality, Circular Economy, and Nature Positive (conservation and reconstruction of the natural environment).

Achieving Circular Economy means transforming the current linear material flow into a circular one, reusing waste and end-of-life products, and establishing an economic system that creates value.

Due to population growth and economic development, there is a growing concern about resource depletion and resource supply insecurity. Circulating limited resources supports the stability of social infrastructure.

The UBE Group will strive to realize Circular Economy.

● Scope

This policy applies to the UBE Group (UBE Corporation and its consolidated subsidiaries) and covers the entire value chain.

● Goal

Realizing Circular Economy

● Commitment

- We will formulate strategies that enable us to minimize risks and maximize opportunities while securing compliance with international frameworks, laws, regulations, and other rules.
- We will reduce the volume of plastic and other waste emitted from each business base.
- We will promote our sustainable products designed to contribute to Circular Economy.
- Fiscal 2030 targets regarding reductions in the volume of plastic and other waste emitted from each business base and the recycling of such waste:
 - Reduction rate in the volume of waste disposed of via landfill: 50% or more (from fiscal 2022 levels)
 - Plastic waste recycling rate: 80% or more
- Fiscal 2030 target for the promotion of our sustainable

products designed to contribute to Circular Economy

- The weight-based sales volume of products contributing to Circular Economy: 50,000 tons or more

● Responsible Departments and Review

The Sustainability Department is responsible for overseeing and managing this policy.

This Policy is subject to regular review at least once every year. Any revisions, whether as part of a scheduled review or required during the fiscal year, will be deliberated and approved by the Environmental Issues Committee.

1. Reduction in plastic waste sent to landfill

Rate of reduction in plastic waste sent to landfill (compared with FY2022 levels)

FY2030 targets

50% or higher

(FY2024 result: 47%)

2. Plastic waste recycling

Plastic waste recycling rate

FY2030 targets

80% or higher

(FY2024 result: 77%)

This is the UBE Group's target based on the Act on the Promotion of Resource Circulation for Plastics, etc. Recycling includes material and chemical recycling, and excludes thermal recovery.

3. Circular economy-contributing products

Sales volume of circular economy-contributing products

FY2030 targets

50,000 tons or higher

(FY2024 result: 9,000 tons)

The definition of circular economy-contributing products is based on the Proposal for the Realization of a Circular Economy by Japan Business Federation (Keidanren, February 14, 2023), among other sources, and includes the following four product types.

- (1) Products that use recycled materials, including plastic
- (2) Products that use biomass
- (3) Products that are more durable
- (4) Products that use CO₂ to replace fossil raw materials

Tackling Environmental Issues

Contributing to nature positive

UBE Group Basic Policy for Nature Positive

The UBE Group will contribute to solving global environmental problems by focusing on Carbon Neutrality, Circular Economy, and Nature Positive (conservation and reconstruction of the natural environment).

Nature Positive means halting the loss of biodiversity, which is an intrinsic property of nature, and putting nature on a path to recovery.

The UBE Group's corporate activities may have an impact on nature. It is necessary to reduce this impact in our own manufacturing and value chain, and to restore degraded natural environments.

The UBE Group will contribute to the conservation and restoration of the natural environment and the sustainable use of ecosystem services by first understanding its dependence on and impact on nature in its business activities, and by identifying risks and opportunities.

● Scope

This policy applies to the UBE Group (UBE Corporation and its consolidated subsidiaries) and covers the entire value chain.

● Goal

Contributing to the realization of Nature Positive

● Commitment

- We will continuously monitor the emissions of pollutants (air pollution, water pollution, soil pollution, etc.) generated in our operations and strive to control emissions.
- We will identify and assess water risks at our main business sites and strive to conserve and effectively utilize water resources that are important to our business.
- In order to reduce the environmental impact of the entire supply chain, we will engage with stakeholders.
- We will fulfill our commitment to Carbon Neutrality and the realization of Circular Economy.
- We will continue to engage with suppliers who account for the top 50% or more of the raw material

procurement volume and will further enhance the scope engagement in the future.

● Responsible Departments and Review

The Sustainability Department is responsible for overseeing and managing this policy.

This Policy is subject to regular review at least once every year. Any revisions, whether as part of a scheduled review or required during the fiscal year, will be deliberated and approved by the Environmental Issues Committee.

Fiscal 2024 Initiatives

1. Marine plastic waste

- Undertook joint cleanups with neighboring companies (Sakai Factory)
- Exploring closed-loop recycling of plastic bottle (UBE Machinery Group)
- Participation in year-end street cleanup organized by a public service society in Ube City (Ube Chemical Factory)
- Patrolled waste storage sites every quarter (Ube Chemical Factory)
- Recycled waste plastic (Ube Chemical Factory)

2. Biodiversity conservation

- Took part in forestation initiative (Sakai Factory)
- Conducted a plant environmental seminar (Sakai Factory)
- Participated in Mine Agriculture, Forestry and Fisheries Office's forestation initiatives to protect water (Ube Chemical Factory)
- Helped exterminate Argentine ants (a designated invasive species) by contributing to administrative reports and preventing infestations from spreading beyond business sites (Ube Chemical Factory)



Employees participating in the Forest Creation Experiential Activity for Water Conservation

Addressing disclosure based on TNFD recommendations

The UBE Group understands the importance of biodiversity and the natural environment. We will assess dependencies and impacts on nature in our business activities and practice corporate management that contributes to solving global environmental issues. In promoting the initiatives and developing the system to achieve these goals, we are utilizing the framework provided by the Task Force on Nature-related Financial Disclosures (TNFD) to structure our initiatives and analysis results.

In fiscal 2024, we studied and assessed dependencies and impacts on nature at all UBE Group plants and sites in Japan based on TNFD's LEAP Approach.

Assessment of dependencies and impacts at plants and sites

We assessed dependencies and impacts using "ENCORE," an external tool. The results showed that our key business activities are profoundly connected to water resources and that environmental impact due to chemical substance emissions is "a key relationship for monitoring."

Study of sensitive locations

We studied the points of contact between sensitive locations as defined by TNFD and our plants and sites using external tools, including "Global Forest Watch," "IBAT," "Aqueduct," and "GLOBIO Model." As a result, we determined that sites located in the coastal areas of Yamaguchi Prefecture and Fukuoka Prefecture need to be monitored from the perspective of biodiversity.

Identification and assessment of nature-related risks and opportunities

Based on the results of the external tool assessment and the quantitative assessment of actual dependency and impact-related indicators, we used TNFD's risk and opportunity registers and sector-specific guidance, and WWF's Risk Filter Suite to identify risks and opportunities and assess their importance.

Tackling Environmental Issues

Addressing disclosure based on TNFD recommendations

Scenario analysis

In line with the TNFD's guidance, we envisaged two scenarios: "market understanding moves smoothly toward achievement of nature positive" and "sudden restrictions are imposed due to unexpected degradation of the natural environment around the operating area."

Matrix mapping (Assessment of importance)

In our assessment of nature-related risks and opportunities, we determined the level of priority along the two axes of "importance level" and "frequency level (likelihood)." "Importance level" was determined through comprehensive analysis of factors including

activities at sites (water resource withdrawals, water discharges, hazardous substance emissions, etc.), the presence of points of contact with sensitive locations, and the level of the operational risk assessment index in the Risk Filter Suite We assessed "frequency level (likelihood)" qualitatively based on scenario analysis.

We selected four locations with a high level of importance along both of these two axes as material priority locations that require priority initiatives (Table 1).

Material priority locations and key issues

Based on analyses and considerations using the LEAP Approach and matrix mapping, we compiled in Table 2 the business activities, key issues, and directions for

responses in high priority locations.

Future initiatives

In fiscal 2024, we identified high priority locations and key issues using the LEAP Approach. Going forward, we will collect data, formulate KPIs and targets, and proceed with information disclosure based on TNFD. We will also work to gradually apply the approach to overseas sites and upstream in the value chain.

Please see "Contribute to nature conservation and restoration (nature positive)" on the UBE Group's website for more details about the analysis.
<https://www.ube.com/ube/en/sustainability/environment/climate/nature/>

Table 1: Matrix mapping (Assessment of importance)

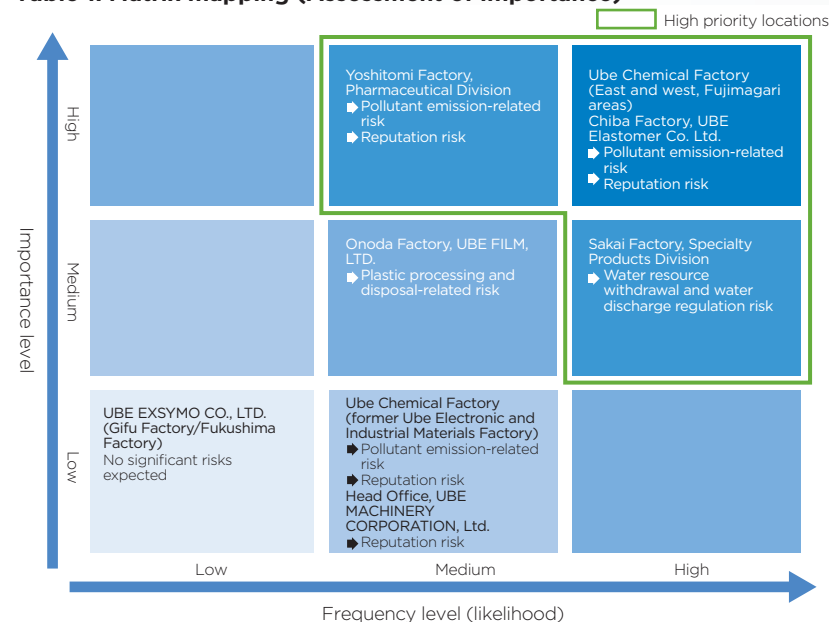


Table 2: Results of assessment of key issues and priority locations in the UBE Group's domestic business using the LEAP approach

Material priority location	Relevant site	Main business activities	Key issues	Direction of responses
Suonada coastal area, Ube City, Yamaguchi Prefecture	UBE Corporation East and west areas of Ube Chemical Factory Ube Chemical Factory Fujimagari area	Manufacturing of specialty products (chemical products)	• Water pollution in surrounding catchment area • Discharge of harmful chemical substances into catchment area • Improvement of disaster resilience • Strengthening of environment-related laws and regulations • Local reputation risk	• Monitoring of harmful substance discharge, rigorous maintenance, and information disclosure • BCP countermeasures and stringent management of hazardous substances with a focus on disaster damage • Communication and cooperation with local governments and the environmental protection community in the surrounding area
Buzenkai coastal area, Yoshitomi-cho, Fukuoka Prefecture	Yoshitomi Factory, UBE Corporation	Manufacturing of pharmaceuticals	• Water pollution in surrounding catchment area • Discharge of harmful chemical substances into catchment area • Improvement of disaster resilience • Strengthening of environment-related laws and regulations • Local reputation risk	• Monitoring of harmful substance discharge, rigorous maintenance, and information disclosure • BCP countermeasures and stringent management of hazardous substances with a focus on disaster damage • Communication and cooperation with local governments and the environmental protection community in the surrounding area
Ichihara City, Chiba Prefecture	UBE Elastomer Co. Ltd. Chiba Factory	Manufacturing of resin and synthetic rubber	• Water pollution in surrounding catchment area • Discharge of harmful chemical substances into catchment area • Improvement of disaster resilience • Use, disposal, and treatment of plastic • Strengthening of environment-related laws and regulations	• Monitoring of harmful substance discharge, rigorous maintenance, and information disclosure • BCP countermeasures and stringent management of hazardous substances with a focus on disaster damage • Ascertaining and responding to the enforcement and review status of laws and regulations of countries and local governments related to the value chain
Sakai City, Osaka Prefecture	Sakai Factory, UBE Corporation		• Discharge of harmful chemical substances into catchment area • Improvement of disaster resilience • Use, disposal, and treatment of plastic • Strengthening of environment-related laws and regulations	• BCP countermeasures and stringent management of hazardous substances with a focus on disaster damage • Ascertaining and responding to the enforcement and review status of laws and regulations of countries and local governments related to the value chain

Environmental Safety Management

The UBE Group has made safeguarding the environment, safety, and health top priorities so it can provide products and services that contribute to better lives and achieve solid and sustainable growth.

In keeping with the goals set out in the UBE Group Environmental and Safety Guidelines, the key implementation items of the UBE Group environment and safety measures are incorporated into the activities carried out at business sites/Group companies and partner companies*.

* Partner companies: Including construction and other contractors

UBE Group environmental and safety guidelines

Based on the SLQDC* order of priority for action and the principle of "safety takes priority over everything," the UBE Group ensures, through education and training, that employees understand and comply with legal requirements and internal standards related to safety and health, process safety and disaster prevention, and environmental protection, and that they act responsibly in line with these standards. We will also ensure safety and security for those working at the Group and local communities by promoting communication not only within the Group but also with government and the community.

* SLQDC: An acronym using the initial letters of Safety, Law, Quality, Delivery, and Cost, which indicates the order of priority in manufacturing.

● Scope

The guidelines cover the UBE Group (UBE Corporation and its consolidated subsidiaries), as well as companies that are within the scope of the UBE Group's safety management.

● Goals

The UBE Group will firmly establish the value of "safety takes priority over everything" and ensure safety and security in workplaces and in the local community. To this end, we will implement the following.

(1) We will secure a healthy, safe, and comfortable working environment for workers.

- (2) We will ensure the safety and security of facilities and maintain stable operations.
- (3) We will properly identify emissions of waste and chemical substances and provide timely and appropriate information disclosure.
- (4) We will establish and implement various measures to promote the occupational health of employees.

● Commitment

- Annual occupational accident safety score* of 280 or less
- Annual number of facility accidents: 0
- Annual number of environmental accidents: 0

Incidents counter under the above items are defined by UBE.

* Safety score = (Lost work time injury frequency rate x 500 + No lost work time injury frequency rate x 100) Grade range A: 0 to 140, B: 140 over to 280, C: 280 over to 490, D: 490 over to 700, E: 700 over

● Responsible Department and Review

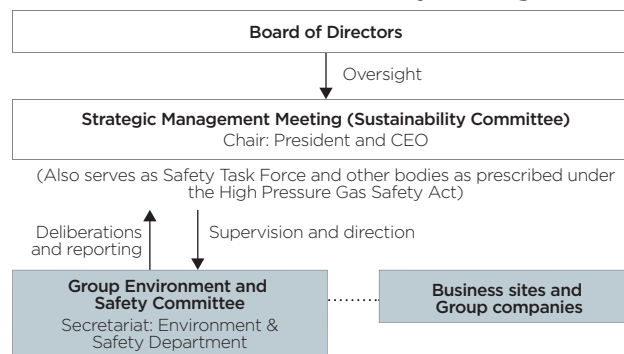
The Environment & Safety Department is responsible for overall management.

These guidelines are reviewed regularly every year, discussed, and approved by the Strategic Management Meeting (Sustainability Committee). Reviews are also conducted as needed during the fiscal year.

Environmental and safety organization

Policies and measures relating to such environmental safety components as occupational safety and health,

Structure of environment and safety meetings

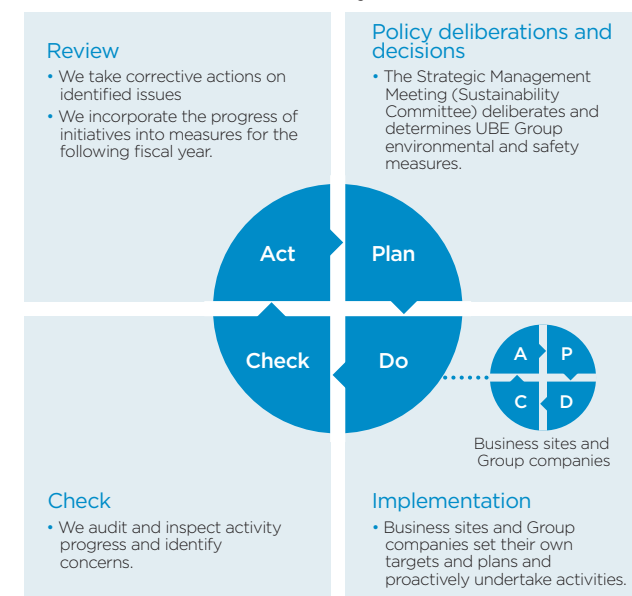


process safety and disaster prevention, and environmental preservation are key management issues. The Group Environment and Safety Committee formulates these policies and measures. The president and CEO chairs the Strategic Management Meeting (Sustainability Committee), which deliberates and decides on them. The meeting also serves as a process safety headquarters prescribed in a ministerial order relating to high-pressure gas safety (HPGS), discussing and determining important matters relating to process safety at certified sites for high-pressure gas. The Board of Directors oversees these activities.

Implementation of UBE Group environmental and safety measures

Based on the UBE Group's environmental and safety measures, we rigorously implement PDCA cycles to constantly enhance occupational safety and health, safety and disaster prevention, and environmental preservation.

Annual RC activities' PDCA cycle



Occupational Safety and Health / Process Safety and Disaster Prevention / Quality Assurance and Product Safety

Occupational safety and health / Process safety and disaster prevention

We undertake occupational safety and health as well as process safety and disaster prevention initiatives in keeping with the UBE Group Environmental and Safety Guidelines. The guidelines embody a firm commitment to “safety takes priority over everything” by ensuring safety and security in workplaces and in communities.

Occupational safety and health

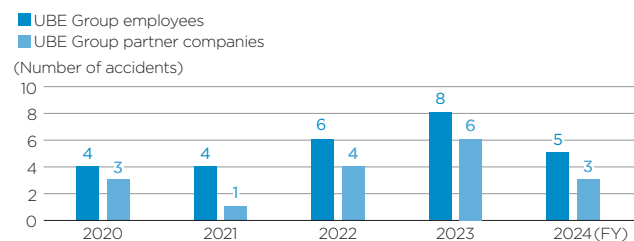
We aim to eliminate occupational accidents, and endeavor to reinforce and keep enhancing safety initiatives by fostering a culture of safety. We also strive to reduce risks in operations that are prone to major accidents and make them inherently safe.

We prioritize engaging in safety initiatives with partner companies and educating and training them to enhance safety awareness.

We investigate and respond to all accidents, including both lost time injuries (LTIs) and non-lost time injuries.” We thereafter confirm the effectiveness of these measures and roll them out across our organization to prevent similar incidents.

In order to secure healthy, safe, and comfortable working conditions for employees, we have set improvement of the working environment as an issue and make efforts to promote an autonomous chemical substance management

UBE Group (Japan) number of lost work time accidents



Note: Aggregated data not including former construction materials company.

system, implement effective measures to prevent heatstroke, and prevent noise-related hearing loss.

Process safety and disaster prevention

The UBE Group conducts safety activities to ensure safe and secure facilities and stable operations, as well as natural disaster prevention activities to minimize damage in the event of a natural disaster with the aim of eliminating facilities accidents. In fiscal 2024, we addressed eliminating facilities accidents, eliminating environmental accidents, improving high pressure gas safety capabilities, and promoting natural disaster countermeasures as our key implementation items.

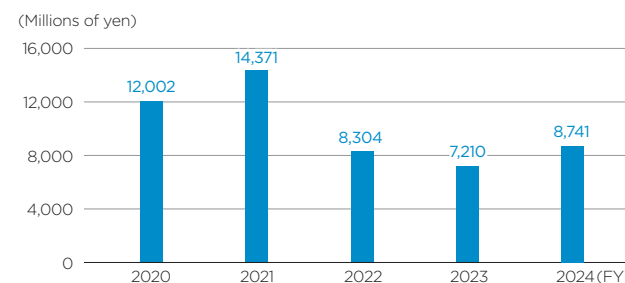
Please see the UBE Group's sustainability website for details on occupational safety and health and process safety and disaster prevention initiatives.

<https://www.ube.com/ube/en/sustainability/>

UBE Group number of facilities accidents

FY	2020	2021	2022	2023	2024
UBE	13	5	5	4	8
Group companies	2	3	5	6	3

UBE Group safety, health, and disaster prevention countermeasures expenses



Quality assurance and product safety

We undertake quality assurance and product safety initiatives based on the UBE Group Fundamental Quality Guidelines.

Quality assurance

The UBE Group aims to deliver quality worthy of the trust of customers and society, and we are united in our commitment to activities focused on quality.

To prevent past cases of improper quality inspection practices from being forgotten, we are implementing a range of measures and promoting education about quality assurance in terms of both knowledge and awareness for all employees to ensure that they embrace quality assurance activities. We conduct a quality awareness survey among employees every other year. This survey confirmed that employees across workplaces are increasingly committed to improving quality, with a growing percentage of employees prioritizing it.

We will ensure that we respond to changes such as the expansion of specialty businesses and business structure reform, while working toward new value creation and increasing customer satisfaction by leveraging quality-focused management, one of UBE's core strengths.

Product safety

We factor health, safety, and the environment into chemical substance management. We do this by complying with domestic and international laws and regulations covering chemical substance management, closely overseeing these substances in the supply chain, continuing to strengthen the functionality of U-CHRIP, our in-house-developed database, to comprehensively manage chemical information, and disclosing Safety Data Sheets (SDS)* for key products on our website.

In fiscal 2025, we will strengthen chemical substance management systems of our U.S. sites in the urethane business and other areas and promote global cooperation with our sites in Europe and Asia.

* Safety Data Sheet (SDS): Documentation containing hazard and toxicity information about chemical substances that manufacturers disclose when supplying chemical substances and products incorporating them

Please see the UBE Group's sustainability website for details on quality assurance and product safety initiatives.

<https://www.ube.com/ube/en/sustainability/>

Message from the Officer in Charge of Our Human Capital



Under the new medium-term management plan starting fiscal 2025, we will promote strategic human resource measures that go hand in hand with management and contribute to solid growth.

Ryo Kawamura

Director, Executive Officer
CCO

With responsibility for Human Resources Dept., Talent Strategy Dept., General Affairs Dept., Legal Dept., Intellectual Property Dept., and Business Reorganization Dept.

Showing our employees we are serious about changing was the greatest achievement of the previous plan

UBE has organized its talent strategy into five levels to promote relevant measures in a series of stages (→ see p. 24 for details). In the previous medium-term management plan, which corresponds to level 2 of our talent strategy, “Cultivating talent to drive specialty chemicals progress,” we set “enhancing human capital” as one of the foundations to realize our Vision for 2030. In order to maximize the potential of our human resources in advance of new initiatives in such areas as business restructuring and digital transformation (DX), we have been reviewing our talent strategy.

First, we decided on a vision for the talent needed to realize our growth strategy. Next, we defined talent models* for each area of expertise in order to develop proactive human resources who can act independently with the future in mind. In addition, as the importance of global talent has increased with the changing business environment, we have begun setting requirements for them and examining ways to acquire and train them ahead of schedule.

In addition, we are actively recruiting both new graduates and mid-career professionals to ensure that each department has the human resources it needs. From

fiscal 2025, we will introduce a new talent management system to visualize the talent required in each department and promote optimal human resource allocation.

In our talent strategy, we also emphasize the mindset of our employees. To encourage employees to take ownership of their careers, we are proactively promoting internal recruiting and intend to make it a year-round program in the future. We are also promoting changes in employee mindset during job level-specific training, along with explaining the new personnel system that will be implemented going forward. We want our employees to shift to a mindset of thinking for themselves how they can contribute to the Company through their work instead of waiting for work to be given to them.

Through these multifaceted efforts, our employees have seen that UBE is serious about changing, and I believe that this is the greatest achievement of the previous medium-term management plan.

* We established talent models spanning 10 domains, defining, among other components, roles, actions, skills, knowledge, and mindsets for each. See page 65 for details.

We will visualize, acquire, and train the talent needed to realize the new plan's growth strategy

In fiscal 2025, we have launched our new medium-term

management plan, under which we aim to become a specialty chemicals company. At the same time, we have transitioned to level 3 of our talent strategy, “Leveraging specialty chemicals experts.” The key to our talent strategy will be to ensure that its component elements—talent development, revitalization, utilization, and optimal allocation—work smoothly. Accordingly, first we will utilize the aforementioned talent management system to visualize the human capital required for each business and create an optimal human capital portfolio.

A primary example of the kind of talent needed to promote the strategies and measures set forth in the new medium-term management plan are digital talent to promote DX Companywide. To foster their development, we are strengthening our reskilling efforts for all employees in such areas as data utilization and increasing operational efficiency through the use of generative AI.

In addition, to strengthen the Research & Development Division in order to create new core competencies, we will promote the hiring of external, mid-career human resources with extensive development experience.

Further, we will focus on securing and developing global talent. To realize optimal talent utilization on a global level, it will be necessary to centrally manage individual talent, foster interactions among talent through cross-border career development, and strengthen such human capital. We have defined this as “UBE global culture” and will begin full-scale efforts to formulate a framework for it.

Our talent vision

The UBE Group works together with its employees, helping them develop their talents so that they can be:

1. Business professionals who independently create value and drive revenue
2. Eager to embrace new challenges with urgency and transformative mindsets
3. Lifelong learners dedicated to ongoing improvement
4. UBE team members who respect and celebrate diversity among their peers

Message from the Officer in Charge of Our Human Capital

Creating an environment in which diverse talent can proactively work and grow from the perspective of sustainability management

In the new medium-term management plan, at the top of our efforts to promote and advance sustainability management is the material issue of “empowering and engaging a diverse workforce,” and we intend to foster an environment of innovation through collaboration among diverse talent.

Respecting employees’ individuality and maintaining good relationships with them are the foundation of our human resource measures and necessary for sustainable growth. What we emphasize within this context is promoting diversity, equity, and inclusion (DE&I), and pursuing employee well-being through the maintenance of their physical and mental health. DE&I, in particular, was positioned as the most important talent strategy issue in the previous medium-term management plan, as well, and we are engaging in ongoing efforts in this area.

For example, we are visualizing the pipeline for the development of female managerial talent and leaders, and considering coaching measures to change the mindset of female employees and encourage them to aim for promotion to management positions.

Regarding the employment of people with disabilities, we plan not only to promote their employment, but also to turn such employees into digital talent through aggressive human resource investment.

As concerns the employment of foreign talent, in addition to hiring around three foreign nationals each year, from fiscal 2025 we are engaging in hiring practices that emphasize skills regardless of Japanese language ability.

On the other hand, we cannot ignore the recent wave of talent mobility. The UBE Group emphasizes mid-career recruitment as a means of acquiring and developing proactive, professional talent, and has set a goal of increasing the ratio of mid-career hires to 50% in fiscal 2025.

We will promote a variety of initiatives for organizational revitalization, such as hiring human resources able to make an immediate impact in cooperation with business units, and

hiring unique and unconventional talent based on a framework that differs from the conventional personnel system. In addition, we welcome employees who have left the UBE Group for various reasons to return as highly skilled talent after gaining experience outside the Group, and we plan to launch an “alumni network” to create an environment that facilitates the return of such employees.

Furthermore, in our pursuit of employee well-being, it is essential that we improve work engagement. We are also increasing our support to help our employees grow and achieve their vision for themselves through such means as increasing the amount we invest in our talent on a per-employee basis. At the same time, we are reforming our personnel system to reward employees who are willing to grow. Specifically, we are aiming to create an evaluation system that rewards autonomy and expertise by unifying job classifications and treating employees according to their achievements and roles without regard to the number of years they have been with the Company. Preparations are currently underway for implementation starting in fiscal 2026, and we are planning on conducting an explanatory campaign for employees beginning in the second half of fiscal 2025.

Meeting stakeholder expectations by developing strategy for and upgrading our HR capabilities

As more emphasis is placed on the enhancement of human capital in corporate management, the roles required of HR departments are becoming more diverse and complex. Based on this awareness, we are working to create a system that can promote strategic talent measures linked to management strategies. In April 2025, we established the Talent Strategy Department as a parallel organization to the Human Resources Department, and together with the Business Reorganization Department, which is responsible for talent reallocation related to business restructuring, we are working to develop strategies for and upgrade our HR capabilities. In the future, we want our HR departments to function as a “human resource business partner” that

promotes measures linking business strategies and talent strategies as a partner of management and business units.

In 2030, the talent of the UBE Group, whether in Japan or overseas, will engage in autonomous career-building, and do and learn what they want in order to achieve their visions for themselves. Further, the well-being of each individual will serve as energy that drives our organization, and their innovations will contribute to society.

And to achieve this, we will not only steadily implement a variety of measures, but also work with a sense of urgency to resolve issues that are visible now.

In the new medium-term management plan, we have condensed and redefined our purpose into the phrase “Breaking Through with the Chemistry of Hope.” The foundation of the UBE Group’s talent strategy is to build our stock of human resources who wish to develop their careers at the UBE Group, who are able to apply our purpose to their work and take on the challenge of self-realization, and who feel that working at the UBE Group enables them to be themselves.

As the saying goes, “A company is only as good as its people,” and the strength of its talent is the source of its growth. Our human resource departments will work in tandem with management to drive the empowerment of our talent, enhance the value creation capabilities of the entire organization, and vigorously implement the new medium-term management plan to meet the expectations of our stakeholders.



Human Capital

Basic talent strategy approach to drive growth in specialty chemicals

Aligning talent and business strategies

It is vital to formulate and deploy a talent strategy that helps materialize management strategies to continuously enhance corporate value in this rapidly changing business climate.

To realize our transformation into a specialty chemicals company, we have deployed initiatives under a five-level talent strategy. We are at level 3 under our current medium-term management plan. Here, we focus on proactive implementation of measures to enable the development and active participation of highly-skilled talent capable of responding to the bolstering of business structure reforms and rapid global expansion.

Please see page 24 for details of our talent strategy.

Talent model to drive growth in specialty chemicals

Under the previous medium-term management plan, initiatives were implemented to bring about unprecedented changes, such as reforming business structure and promoting digital transformation (DX). We define the talent model as our human capital strategy to maximize the activation of human resources and will

aim to develop “proactive talent.” In fiscal 2025, we will continue working to integrate this talent model into the mindset of all employees.

Human resource management

Through the introduction of a talent management system, we will create a human resources portfolio by visualizing our human resources and conducting interviews to determine the type and number of talent models needed in each department across our business units. Based on this, we believe it is important to effectively integrate training, recruitment, and optimal allocation in order to secure the best talent.

We also actively implement internal recruitment with the aim of firmly establishing the concept of career ownership, which is at the center of our human capital strategy. This will lead to year-round internal recruitment by providing all employees with the opportunity to consider their own careers and clarify their future career plans through the career development interviews held with their supervisors over a period of time.

We are also working to develop digital talent among all employees by leveraging generative AI to increase

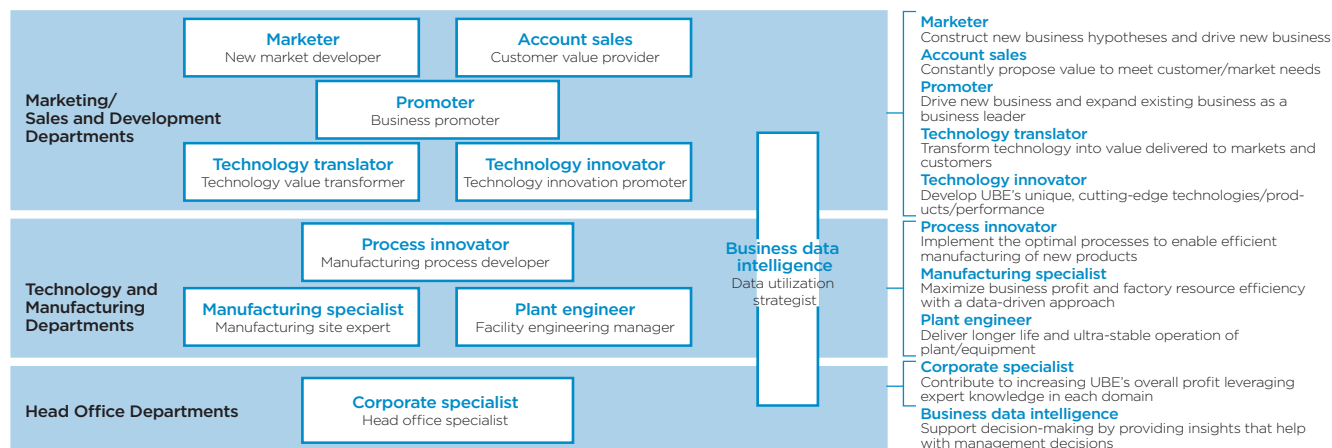
operational efficiency and utilize data led by the DX Promotion Office. UBE positions the promotion of DX as a company-wide activity to promote operational reform and value creation. We are not simply utilizing digital technology but are also making company-wide efforts to consolidate and streamline our operations with the aim of creating new value.

New personnel system

We are implementing personnel system reform with the aim of commencing operation of the new system in fiscal 2026. We will build a framework that encourages employees to think proactively about their own growth and aim for any of the predefined talent models with support provided for self-directed career and professional development. More specifically, we will realize a human resources transformation by integrating career-track and *kikanshoku** paths and establishing systems for evaluation of competency demonstrated within job duties regardless of age or academic background and for transparent and timely evaluation of human resources with advanced specialties.

*Technical employees and administrative employees

Talent models



At UBE, we take on the challenge of realizing our envisioned future and aim for further growth

Since joining in 2009, I have aimed to be a businessperson from a technical background with the ability to make a contribution in business divisions. I have gained a wide range of experience in development, manufacturing, and sales, as well as being seconded to a university-based venture company and participating in overseas training programs. On the recent acquisition of the urethane systems business, I transferred to the review team using the internal recruitment system. Our work has brought about a new business in the UBE Group.

Going forward, I will continue contributing to the UBE Group's shift toward becoming a specialty chemicals company as a key member of newly established business units.



Yoshitaka Oue

High Performance Urethane Division
Planning & Control Department
Planning Group Leader

Human Capital

Key initiatives and progress

An environment in which diverse perspectives and values interact with each other is essential for the sustainable growth of organizations. Interaction between talents with different experiences and expertise creates flexible thinking and new insights and fosters the ability to quickly identify change. We have set our talent KPIs for the purpose of increasing this kind of organizational resilience. We review progress on KPIs across the Group quarterly and visualize and share the findings to increase the companywide unity and effectiveness of initiatives.

Talent KPIs

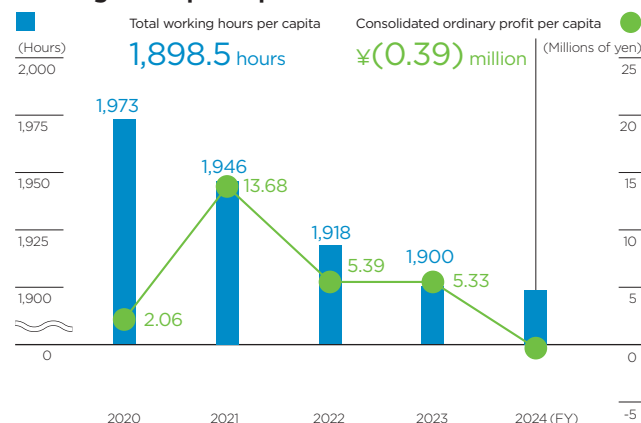
(FY)	Results			Targets
	2022	2023	2024	2030
Investment in off-the-job training per person (UBE)	¥120,000	¥150,000	¥205,000	¥300,000
Percentage of women in the workforce (Consolidated basis in Japan)	15.0%	15.0%	16.0%	25.0%
Percentage of women in management positions (Consolidated basis in Japan)	4.1%	4.6%	5.8%	10.0%
Percentage of mid-career hires (Career-track employees) (Consolidated basis in Japan)	37.3%	36.1%	51.3%	—
Non-Japanese national hires (Consolidated basis in Japan)	0	7	5	—
Percentage of employees with disabilities*	3.16%	3.06%	2.87%	3.2%
Employee turnover rate (UBE)	1.0%	1.4%	1.5%	2% or less
Percentage of annual paid leave taken (Consolidated basis in Japan)	74%	81%	81.3%	100%
Total actual annual working hours (UBE)	1,918 h	1,900 h	1,898.5 h	1,880 h or less
Percentage of male employees taking 20 days or more of childcare leave (UBE)	9.9%	10.8%	30.0%	50%
Smoking rate (Consolidated basis in Japan)	22.7%	23.0%	22.3%	12.0% or less
Rating for presenteeism in the WFun questionnaire (UBE)	C	C	B	A

*Aggregation scope: Three-company average for the fiscal year of UBE Corporation, Libertas Ube, Ltd., and Ube General Service Co., Ltd.

Productivity enhancement analysis

We are creating work environments that allow flexible working arrangements so diverse employees can maximize their potential. As part of this, we are promoting “shorter working hours.” We have also adopted “per capita profit indicators” in the performance-linked bonus system in order to maximize results through productivity improvements.

Consolidated ordinary profit per capita and total working hours per capita



Notes: 1. Consolidated ordinary profit per capita excludes earnings and losses from the machinery business and Mitsubishi UBE Cement Corporation.
2. From Fiscal 2023 onward, the figures include those for partner employees.

Recruitment

We systematically recruit new graduates and mid-career professionals and are also hiring foreign talent. In fiscal 2024, we hired four non-Japanese career-track employees and one non-Japanese *kikanshoku* employee on a consolidated basis in Japan.

We also further stepped up mid-career hiring to secure highly specialized professionals aligned with our business strategies who can go straight into action. In fiscal 2024, mid-career hires accounted for 51.3% of career-track recruits on a consolidated basis in Japan, reaching the target rate of 50% or more for

such professionals under the previous medium-term management plan. Going forward, we will continue to recruit highly specialized professional talent.

Hiring breakdown (UBE)

		Number of people (Number of women in parentheses)				
(FY)		2020	2021	2022	2023	2024
New graduate hires	Career-track employees	58(14)	33(9)	15(8)	33(12)	21(6)
	<i>Kikanshoku</i> * employees	69(10)	36(7)	32(0)	38(9)	24(4)
Mid-career hires	Career-track employees	5(1)	2(2)	10(4)	9(2)	23(7)
	<i>Kikanshoku</i> * employees	13(0)	11(1)	22(3)	14(0)	28(2)
Non-Japanese national hires	Career-track employees	1(0)	2(1)	0(0)	2(1)	4(3)
	<i>Kikanshoku</i> * employees	0(0)	0(0)	0(0)	0(0)	0(0)

*Technical employees and administrative employees

Human resources development

We are enhancing the amount of per capita investment in people to cultivate talent that will drive our transformation into a specialty chemicals company. We prioritized enhancing internal communication by providing in-person training to augment largely online sessions to boost efficiency and optimize effectiveness.

We draw on external e-learning services for job level-specific training to foster a culture in which employees keep growing by taking ownership of career development.

		UBE		
(FY)		2022	2023	2024
Investment in off-the-job training per person*1		¥120,000	¥150,000	¥205,000
Training hours per person*2		17 hours	19 hours	15 hours*3

*1 Calculation methodology: (Total education and training expenses + Labor costs for department overseeing training) / Number of employees on non-consolidated basis (as of fiscal year-end)

*2 Calculation methodology: (Total hours of group training + Total hours of e-learning) / Number of employees on non-consolidated basis (as of fiscal year-end)

*3 Impact due to integration of API Corporation

Human Capital

Diversity, equity, and inclusion (DE&I)

A key DE&I initiative in fiscal 2024 was the design of a “diverse regular employee framework,” aimed at reducing polarization between regular and non-regular employees and enabling a variety of working styles. This framework limits duties, locations, and working hours, and seeks to create a psychologically safe environment where all employees—regardless of disability—can fully realize their potential. In addition, in our program for senior employees, we placed greater emphasis on evaluations conducted at the point of mandatory retirement to help maintain motivation prior to retirement.

Advancing gender equality and developing our talent pipeline

The UBE Group is focused on promoting active participation by women. In fiscal 2024, we sent management candidates to outside cross-industry networking events to foster mindset change. We also stepped up regional cooperation through the Yamaguchi University Diversity Promotion and Acceleration Consortium to boost human resources in STEM (science, technology, engineering, mathematics). We have also been actively working on developing talent pipelines and career-oriented recruitment for female employees.

Wage gaps between men and women

(FY)	Wage gaps between men and women (Ratio of female to male wages)		
	2022	2023	2024
All workers	78.8%	78.2%	80.2%
Regular workers	79.4%	79.2%	80.2%
Contract workers	55.8%	57.9%	66.1%

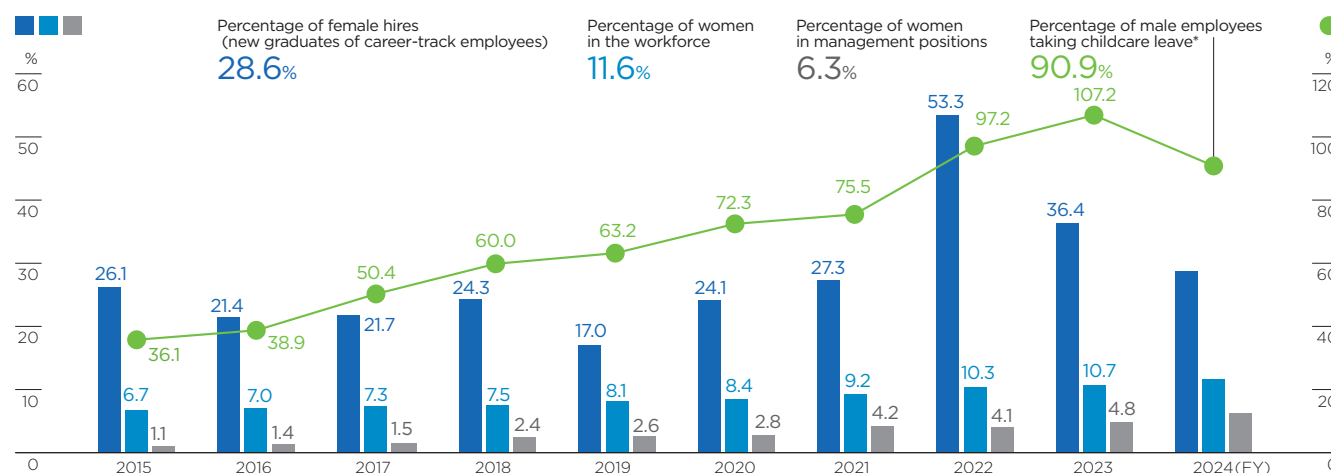
- Disparities come from underrepresentation of women in management-level regular and contract worker positions, so we are striving to hire and advance them.
- Many women in regular worker positions do not do shift work, leading to wage gaps from not getting shift and late-night allowances.

Number and ratio of female executives and employees

Role	FY2020	FY2021	FY2022	FY2023	FY2024
UBE	Number of directors	0	0	1	1
	Number of upper management	1	1	1	3
	Number of middle management	3	6	12	12
	Number of junior management	20	16	10	12
	Total number of management positions	24	23	23	27
	Female ratio	2.8%	4.2%	4.1%	4.8%
	Number of management candidates	31	31	37	36
	Female ratio	13.2%	16.8%	18.4%	18.8%
	Number of other career-track employees	56	33	33	37
	Female ratio	22.8%	22.4%	25.4%	29.4%
	Number of new graduate hires (career-track employees)	14	9	8	12
	Female ratio	24.1%	27.3%	53.3%	36.4%
Consolidated basis in Japan	Total number of employees	280	189	229	239
	Female ratio	8.4%	9.2%	10.3%	10.7%
	Percentage of women in management positions	2.6%	3.3%	4.1%	4.6%
	Percentage of women in the workforce	12.9%	14.5%	15.0%	15.0%

Note: Figures for fiscal 2022 and beyond include partner employees.

Benchmarks for providing greater opportunities for women (UBE)



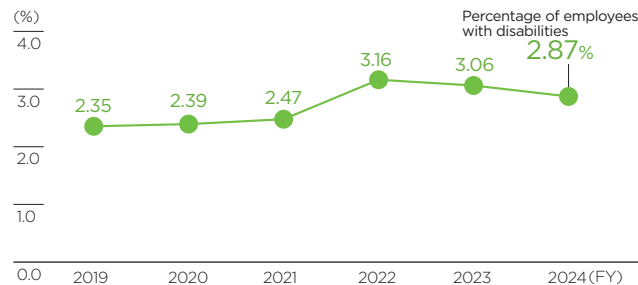
*The percentage of male employees taking childcare leave is calculated as (b/a), where (a) represents the number of male employees whose children were born during the relevant fiscal year and who were eligible for childcare leave, and (b) represents the number of male employees who newly took childcare leave during that year. Since (b) also includes male employees whose children were born in a previous fiscal year but who did not take leave until the fiscal year of calculation, the percentage may exceed 100%.

Human Capital

Employing people with disabilities

The UBE Group works on expanding job opportunities and skill development for people with disabilities. Specialized staff with job coach qualifications work closely with local support organizations, providing support to employees and workplaces from the recruitment stage. Moreover, efforts to enhance employees' skills through tasks such as converting data for e-learning as part of our development of digital talent are leading to the expansion of job opportunities. We practice social inclusion that enables everyone to participate actively through the provision of career development that matches individuals to the right tasks.

Percentage of employees with disabilities (UBE Corporation, Libertas Ube, Ltd., and Ube General Service Co.,Ltd.)



Issues and responses in enhancing well-being

In fiscal 2024, we conducted a happiness survey of all employees as an indicator of well-being. We will consider and roll out measures to increase satisfaction based on analysis of the survey findings and interviews of employees, with a focus on disparities in workplace happiness between generations, job types, and work locations. In fiscal 2025, we are establishing a Labor-Management Review Committee to conduct a joint review aimed at improving the indicators related to workplace happiness. We seek to foster an innovative corporate culture that ensures that all employees feel respected

and enhances their sense of growth, belonging, and contribution.

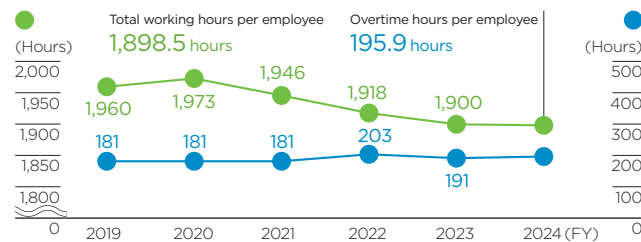
Engaging with employees

We deepen mutual understanding of departmental challenges and our corporate direction by having the president and employees exchange views. In fiscal 2024, we held 14 sessions with 51 management candidates during which there were lively discussions on UBE's vision for the future.

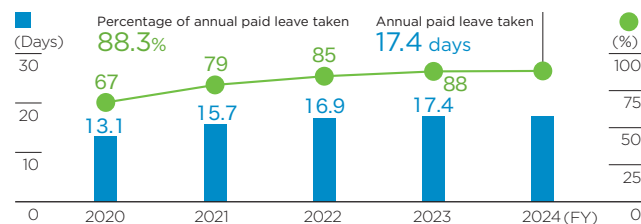
Diverse and efficient work practices

In fiscal 2024, we moved forward with greater operational efficiency through promotion of DX. We also tightened management of working hours by including the time employees use for changing their clothes in working hours and reducing discrepancies in PC log times. Even with these conditions, we have established a system that enables total working hours to be maintained at no more

Working hours (UBE)



Annual paid leave usage (UBE)



than 1,900 hours annually. We are also promoting diverse and efficient work practices by encouraging employees to take annual paid leave and other leave.

Increasing job satisfaction

UBE is committed to systematic human resources development through the establishment of a human resources database and the introduction of a talent management system. We also support career ownership by employees through active use of internal recruitment, which promotes engagement of human resources. With the aim of enhancing well-being, we will build systems for evaluation of competency demonstrated within job duties regardless of age or academic background and for transparent and timely evaluation of human resources with advanced specialties. At the same time, we are developing a comfortable workplace environment by making the use of preferred names standard to respect the identity of employees.

Health management initiatives

The UBE Group implements various measures through the Group Health Management Committee and a variety of subcommittees, and in fiscal 2024 over 90% of UBE employees were aware of health management. Furthermore, in fiscal 2024, UBE and a total of 13 its consolidated subsidiaries in Japan received certification as excellent corporations. Among them, Ube Logistics Service, Ltd. and Fukushima Ltd. were recognized as Bright 500 enterprises, and T&U Electronics Co., Ltd. and Ube General Service Co.,Ltd., were recognized in the newly-established Next Bright 1000 enterprise category.

UBE uses WFun* to measure presenteeism and works to identify and improve symptoms that have the greatest impact on work. With a focus on sleep, pain, and eyes, we offer simple tests for sleep apnea syndrome, seminars, and health advice.

* WFun: A questionnaire that measures the extent to which health problems impair functioning at work

Human Rights

Respect for human rights

The UBE Group regards the UBE Group Human Rights Guidelines as the foundation of its corporate activities. Every year, we identify, analyze, prevent, and rectify the human rights risks to which corporations should give consideration, and we engage in activities that respect human rights.

Please see the Respect for Human Rights section of the UBE Group's website for information on the UBE Group Human Rights Guidelines.
<https://www.ube.com/ube/en/sustainability/society/humanrights/>

The UBE Group Code of Conduct sets out guidelines for decision-making and standards of conduct for all individuals engaged in the Group's business. Within this Code, the section on Respect for Human Rights is intended to foster respect for individuality and diversity and to build safe, healthy, and inclusive workplaces. It also affirms our commitment to respecting the human rights of all stakeholders associated with our business and to avoiding direct or indirect involvement in human rights abuses.

Please see the UBE Group's website for information on the UBE Group Code of Conduct.
https://www.ube.com/ube/en/sustainability/pdf/governance/compliance/code_of_conduct.pdf

As part of our external activities, UBE has signed the United Nations Global Compact and participated in the Human Rights Due Diligence and Human Rights Education working groups of the Global Compact Network Japan. In the Ube region, as a standing member of the Ube-Sanyo Onoda Area Corporate Human Rights Education Liaison Council, we work together with neighboring companies to raise awareness of human rights. Our initiatives extend beyond our own company to the wider region, focusing on three themes: ensuring reasonable accommodation for people with disabilities, promoting understanding of LGBTQ issues, and preventing disadvantageous treatment related to caregiving responsibilities.

Human rights training

Based on the UBE Group Human Rights Guidelines, we have created a Group-wide framework for promoting education about human rights, and we provide ongoing training on human rights. In fiscal 2024, the Group company liaison council on human rights and labor discussed the risk of human rights violations due to inadequate dissemination of information and countermeasures when there are legal revisions, and the entire UBE Group conducted an e-learning initiative marking human rights week.

Initiatives	Participants
e-learning	6,613 (Consolidated basis in Japan, including executive officers)
New employee training	46 (UBE)

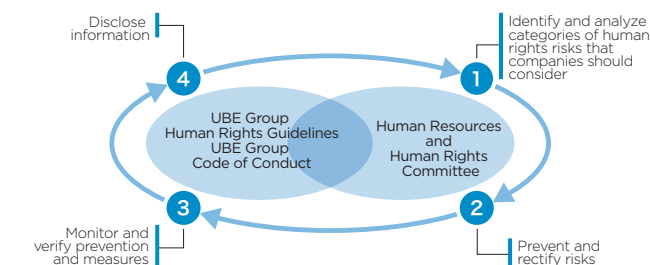
Human rights due diligence progress

Initiatives	Specific initiatives	Results and future initiatives
Establish a human rights promotion management structure	In fiscal 2024, established the Human Resources and Human Rights Committee and put in place a framework for deliberation and reporting at the Strategic Management Meeting (Sustainability Committee) chaired by the President and CEO	Formulated FY2024 activity results and FY2025 action plan with deliberations and reporting at the Strategic Management Meeting. Determined KPIs for six items, including human resource management, promotion of DE&I, and respect for human rights
Identify risks at the UBE Group	Identified human rights risks arising from inadequate responses to and dissemination of information on revisions to Japanese law related to "18. Human rights issues related to gender (including sexual minorities)," "17. Discriminatory behavior and expressions," and "8. Harassment related to caregiver leave, etc." out of the 26 categories of human rights risks that companies should consider	Created e-learning initiatives on three themes around the introduction of an obligation to make reasonable accommodation for people with disabilities, increasing understanding of LGBTQ, and preventing disadvantageous treatment due to caregiving responsibilities and ensured dissemination of information (6,613 participants)
Engage with stakeholders	As a permanent member of an Ube-Sanyo Onoda Area Corporate Human Rights Education Liaison Council, engaged in activities to raise awareness	Hold seminars on the introduction of an obligation to make reasonable accommodation for people with disabilities. Visit companies working on LGBTQ issues and continue awareness raising activities
Share initiative progress and challenges with key overseas sites	Used United Nations Guiding Principles Reporting Framework Self-Assessment Check Sheet to track site progress	Continue looking into rolling out initiatives across organization while factoring in national legal and cultural backdrops
Undertake follow-up surveys on effectiveness of measures	Confirmed situation with human rights-related reports through external and internal reporting channels	Identified 0 external reports and 14 internal reports. Made improvements through internal guidance for 14 internal reports
Explicitly state respect for human rights in procurement guidelines and conduct supplier surveys	* Please see page 70 for more information on supply chain management.	

Human rights due diligence initiatives

We are committed to fulfilling responsibilities to respect human rights and endeavor to identify, prevent, and address any human rights infringements in our activities. Our specific initiatives are as follows.

Human rights due diligence process



Supply Chain Management

Ensuring purchasing activities in line with procurement guidelines

The UBE Group endeavors to build fair and honest business relationships. We conduct purchasing activities in line with the UBE Group Sustainable Procurement Guidelines in the areas of fair and equitable transactions, objective assessment in the selection of business partners, legal compliance and confidentiality, green procurement, and sustainable procurement, as disclosed in the Sustainable Procurement section of the UBE Group's website.

Please see the Sustainable Procurement section of the UBE Group's website for information on purchasing activities.

<https://www.ube.com/ube/en/sustainability/society/procurement/>

Declaration on partnership building

In April 2022, the UBE Group joined the Declaration on Partnership Building^{*1}, through which it committed itself to focusing on the following endeavors to build new partnerships by collaborating with supply chain partners and promoting UBE's founding principle of Coexistence and Mutual Prosperity. The Group will also comply with the revision of promotion standards based on the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises as amended in April 2025.

- Pursue coexistence and mutual prosperity throughout the supply chain and newly collaborate with entities of all sizes and affiliations
- Ensure that parent enterprises and subcontractors comply with desirable business practices (promotion standards based on the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises)

The UBE Group will complement its supply chain building declaration and draw on its endorsement of Declaration of Voluntary Activities under the White Logistics Movement^{*2} to collaborate more with logistics companies and enhance its supply chain. It will also add value to its entire supply chain by abolishing promissory notes to optimize payments to suppliers.

^{*1} Declaration on Partnership Building: The Council on Promoting Partnership

Building for Cultivating the Future established this framework for building new partnerships. This entity's members include the Cabinet Office and the Small and Medium Enterprise Agency. A company as the ordering party, declares to build a new partnership, by the name of the representative of the company.

^{*2} White Logistics Movement is a movement that Japan's Ministry of Land, Infrastructure, Transport and Tourism, Ministry of Economy, Trade and Industry, and Ministry of Agriculture, Forestry and Fisheries launched to improve logistics working environments, with a company as the owner of goods voluntarily committing to action plans, by the name of the representative of the company.

Please visit the UBE Group's website for more information on the Declaration on Partnership Building.

<https://www.ube.com/ube/en/sustainability/society/procurement/>

Sustainable procurement

The UBE Group has committed to sustainable procurement from business partners and elsewhere across the supply chain to enhance social credibility. We prioritize suppliers that fulfill our six assessment criteria. These are establishing internal structures, ensuring stable supply and emphasizing quality, engaging in fair transactions, being environmentally friendly, respecting human rights, safety, and health, and practicing information management and disclosure. We also request that suppliers comply with the UBE Group Sustainable Procurement Guidelines.

For more information on sustainable procurement, see the UBE Group Sustainable Procurement Guidelines on the UBE Group's website.

<https://www.ube.com/ube/en/sustainability/society/procurement/>

Supply chain risk management

UBE manages risks based on Companywide rules, defines those related to supply chain as management risks and deals with special care. We emphasize raw materials procurement risks associated with emerging geopolitical threats and natural disasters, as well as earnings impacts from sudden raw materials market fluctuations. We integrate these risks in routine procurement.

Business partner survey regarding sustainability

We began conducting business partner sustainability surveys in 2012. The surveys aim to assess progress of business partners on sustainability and request improvements where necessary. We send feedback reports on the survey results to partners that were

surveyed and interview partners whose results are below a satisfactory level to help them improve.

In fiscal 2024, we conducted the fifth Business Partner Survey Regarding Sustainability. We received responses on nine items (a total of 114 questions) from 242 suppliers accounting for above 90% of the purchase value of materials, construction work, raw materials, fuels, and packaging materials. The average score overall was 3.8 points out of 5, indicating reasonable levels of initiatives and measures by suppliers.

Please visit the UBE Group's website for more information on the results of the fifth survey of business partners on sustainability in fiscal 2024.

<https://www.ube.com/ube/en/sustainability/society/procurement/>

Results from the fifth survey (radar chart for each item)



Policy on conflict minerals

We fulfill our corporate social responsibilities, including safeguarding human rights and the environment, by addressing the issue of conflict minerals. These minerals are illegally exploited and mined under the control of armed groups in the Democratic Republic of the Congo and surrounding regions. Negative outcomes include human rights abuses, environmental destruction, and money laundering. We consider the responsible procurement of raw materials a key corporate duty. If we identify conflict minerals in our supply chain, we immediately halt their procurement. As well as screening prospective raw materials purchases, we conduct regular surveys to ensure that we do not procure conflict minerals.

Directors and Executive Officers

Director

(As of July 1, 2025)



1 Masato Izumihara

Chairman of the Board and Director

2 Yuki Nishida

President and Representative Director

3 Hirotaka Ishikawa

Representative Director

4 Ryo Kawamura

Director

5 Masayuki Fujii

Director, Audit
and Supervisory Committee Member

6 Takefumi Fukumizu

Outside Director

7 Tsugio Mitsuoka

Outside Director

8 Tamesaburo Yamamoto

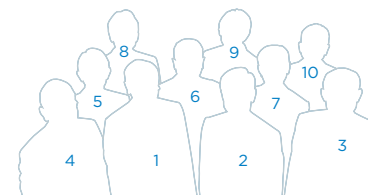
Outside Director, Audit
and Supervisory Committee Member

9 Satoko Suzuki

Outside Director, Audit
and Supervisory Committee Member

10 Tatsuya Tanaka

Outside Director, Audit
and Supervisory Committee Member



Executive officer

(As of July 1, 2025)

President & Chief Executive Officer

Yuki Nishida

Senior Managing Executive Officer

Hisaaki Yokoo

Managing Executive Officers

Yoichi Funayama

Futoshi Takase

Hirofumi Nonaka

Hiroataka Ishikawa

Shinya Takahashi

Executive Officers

Ryo Kawamura

Kenji Hoshino

José Ignacio Iglesias

Yoichi Yoshida

Anusara Suthikulavet

Mitsuru Haramoto

Takaaki Nishimori

Koji Sagaoka

Seihiro Kamezawa

Directors and Executive Officers

Directors' profile (As of July 1, 2025)

Masato Izumihara

Chairman of the Board and Director

1983
Joined the Company

2006
General Manager, Corporate Planning Dept. and Investor Relations & Public Relations Dept.

2010
Executive Officer

2011
Director, Executive Officer

2013
Director, Managing Executive Officer

2015
Managing Executive Officer

2018
Director, Senior Managing Executive Officer

2019
President and Representative Director, President and Chief Executive Officer, CEO

2025
Chairman of the Board and Director (current position)

Yuki Nishida

President and Representative Director

1987
Joined the Company

2015
General Manager of Battery Materials and Fine Chemicals Business Unit, Chemicals Company

2016
Executive Officer

2019
Managing Executive Officer

2022
Senior Managing Executive Officer

2024
Representative Director, Senior Managing Executive Officer

2025
President and Representative Director, President and Chief Executive Officer, CEO (current position)

Hiroataka Ishikawa

Representative Director

1989
Joined the Company

2022
General Manager of Accounting & Finance Dept.

2023
Director, Executive Officer, CFO

2025
Representative Director, Managing Executive Officer, CFO, and CRO (current position)

Ryo Kawamura

Director

1991
Joined the Company

2020
General manager of Legal Dept.

2023
Executive Officer

2024
Executive Officer, CRO, and CCO

2025
Director, Executive Officer, and CCO (current position)

Masayuki Fujii

Director, Audit and Supervisory Committee Member

1985
Joined the Company

2010
General Manager of Corporate Planning Dept.

2015
Executive Officer, and Group CFO

2019
Director, Managing Executive Officer, CFO

2023
Director, Audit and Supervisory Committee Member (current position)

Takefumi Fukumizu

Outside Director

1976
Joined the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry)

2004
Director-General, Kansai Bureau of Economy, Trade and Industry

2006
Director-General, for Regional Economic and Industrial Policy

2007
Director-General, Small and Medium Enterprise Agency

2008
Executive Director, NEDO

2009
President, NEDO

2013
Vice President, Japan Alcohol Corporation

2017
President, Japan Testing Center for Construction Materials

2022
Outside Director of the Company (current position)

Tsugio Mitsuoka

Outside Director

1980
Joined Ishikawajima-Harima Heavy Industries Co., Ltd. (currently IHI Corporation)

2010
Executive Officer, Vice President of Aero Engine & Space Operations, IHI Corporation

2013
Managing Executive Officer, President of Aero Engine & Space Operations

2014
Director, Managing Executive Officer, President of Aero Engine & Space Operations

2016
Representative Director and President, Chief Operating Officer

2017
Representative Director and President, Chief Executive Officer

2020
Representative Director and Chairman of the Board and President, Chief Executive Officer

Representative Director and Chairman of the Board, Chief Executive Officer

2021
Representative Director, Japanese Aero Engines Corporation (current position)

Representative Director and Chairman of the Board, IHI Corporation

2022
Chairman, The Society of Japanese Aerospace Companies

2023
Outside Director of the Company (current position)

2024
Director and Chairman of the Board, IHI Corporation (current position)

Tamesaburo Yamamoto

Outside Director, Audit and Supervisory Committee Member

1998
Professor, Faculty of Law, Keio University

2006
Examiner, Certified Public Accountant Examination Examiner, New Bar Examination

2010
Director, Japan Association of the Law of Trust

2015
Director, Japan Association of Private Law

2022
Outside Director, Audit and Supervisory Committee Member of the Company (current position)

2023
Professor Emeritus, Keio University (current position)

Satoko Suzuki

Outside Director, Audit and Supervisory Committee Member

1996
Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)

2003
Registered certified public accountant

2005
Representative, opened Suzuki Satoko CPA Office (current position)

2006
Registered tax accountant

2012
Director, NPO Accounting & Tax Professionals Network

2015
Supervisory Director, Ichigo Hotel REIT Investment Corporation

2019
Outside Director, Bull-Dog Sauce Co., Ltd.

2022
Outside Director, Audit and Supervisory Committee Member of the Company (current position)

2023
Outside Auditor, Helios Techno Holding Co., Ltd. (current position)

2024
Outside Director and Audit and Supervisory Committee Member, Sojitz Corporation (current position)

Tatsuya Tanaka

Outside Director, Audit and Supervisory Committee Member

1980
Joined Fujitsu Limited

2005
Director of the Board & Vice President, Fujitsu (China) Holdings Co., Ltd.

2012
Corporate Executive Officer, General Manager of Manufacturing Industry Business Unit, Fujitsu Limited

2013
Corporate Executive Officer, General Manager of Manufacturing Industry Business Unit, Logistics, and Sales Group

2014
Corporate Senior Vice President, and General Manager, Asia Region

2015
Corporate Executive Officer, SEVP and General Manager, Asia Region Corporate Executive Officer, SEVP President and Representative Director

2019
Chairman of the Board

2020
Chairman of the Board, Fujitsu Marketing Limited
Chairman of the Board, Fujitsu Japan Limited

2021
Outside Director, Nippon Light Metal Holdings Company, Ltd. (current position)

2022
Senior Adviser, Fujitsu Japan Limited
Adviser, Tsukishima Kikai Co., Ltd. (currently Tsukishima Holdings Co., Ltd.)

2023
Outside Director, Audit and Supervisory Committee Member of the Company (current position)
Outside Director, Asahi Mutual Life Insurance Company (current position)

2025
Outside Director, Tsukishima Holdings Co., Ltd. (current position)

Corporate Governance

Basic approach to corporate governance

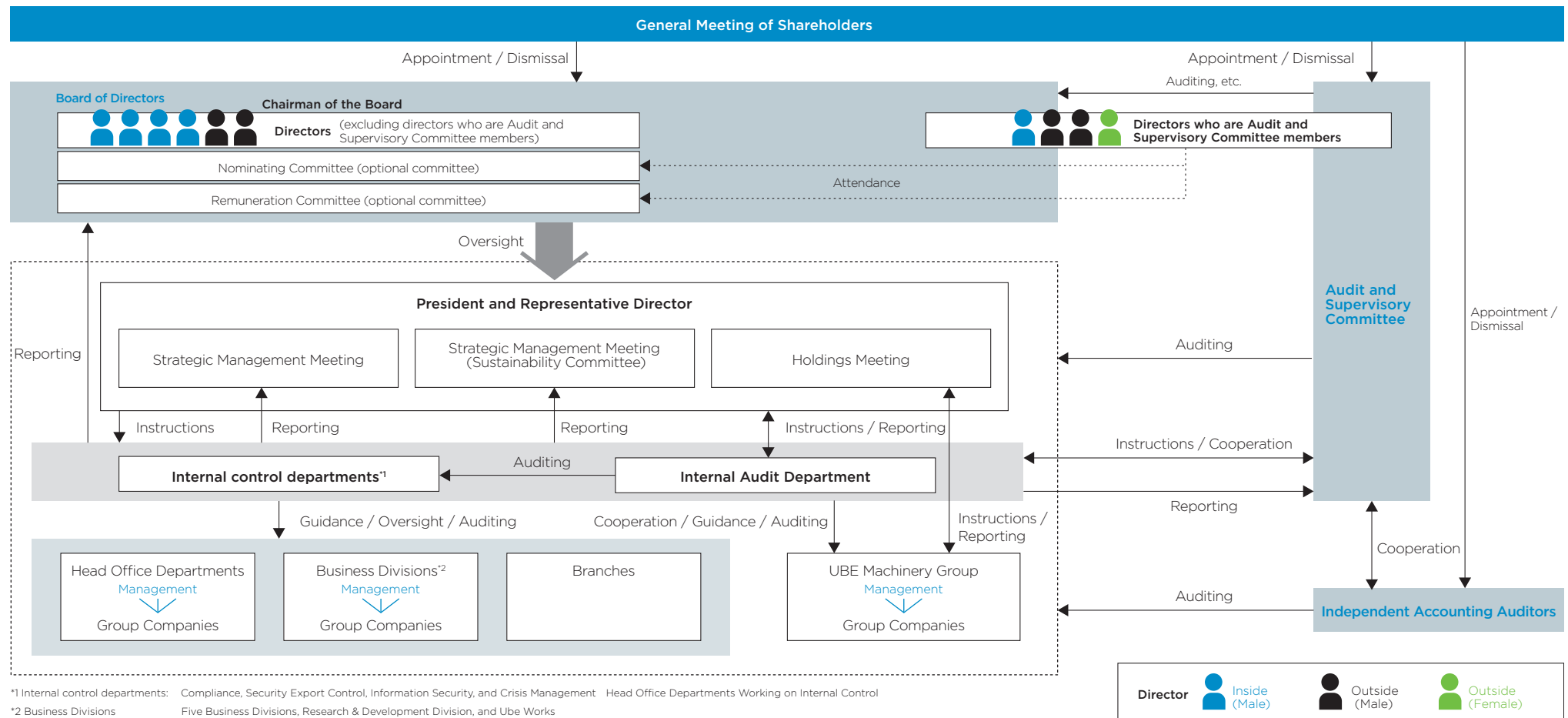
The UBE Group regards achieving sustainable growth for the Group as a whole and enhancing corporate value over the medium to long term as its fundamental mission. To this end, as a company with an Audit and Supervisory Committee, UBE has established a framework in which directors who serve as Audit and Supervisory Committee members, holding audit authority and the right to state

opinions, also possess voting rights in the Board of Directors. This approach strengthens the Board of Directors' oversight of business execution. At the same time, by delegating part of the important business execution decisions to the President and Representative Director, the Company accelerates decision-making and promotes swifter execution. Through these measures, UBE is establishing effective corporate governance that ensures proper and

sustainable business operations, fulfills its responsibilities to all stakeholders—including shareholders, customers, business partners, employees, and local communities—and secures their trust.

UBE will continue to enhance its corporate governance by improving management efficiency and transparency, accelerating decision-making, clarifying management accountability, and strengthening oversight functions.

Corporate governance framework



Corporate Governance

Board of directors

In principle, a director who does not concurrently serve as an executive officer serves as the chair of the Board of Directors. In accordance with laws, regulations, and the Articles of Incorporation, the Board stipulates, as set forth in the Regulations of the Board of Directors, the important management matters to be decided by the Board, such as the Company's basic policies and matters of significance in terms of amount or risk, and makes decisions on these

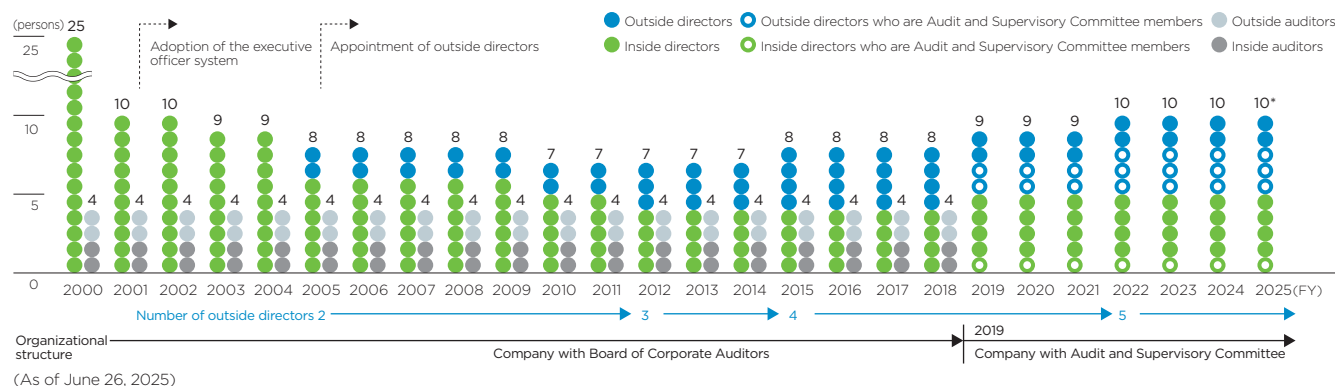
matters. The Board also oversees the appropriateness and efficiency of the execution of duties by each director and executive officer. As a Company with Audit and Supervisory Committee, we are accelerating operational execution by delegating a part of decision-making on important operations to the President and Representative Director while consistently reinforcing supervision.

Directors' attendance at board and committee meetings (April 1, 2024 – March 31, 2025)

	Name	Board of Directors	Audit and Supervisory Committee	Nominating Committee	Remuneration Committee
Directors	Yuzuru Yamamoto ^{*1}	17/17 (100%)		2/2 (100%)	4/4 (100%)
	Masato Izumihara	17/17 (100%)			
	Hideo Tamada ^{*2}	4/4 (100%)			
	Yuki Nishida ^{*3}	13/13 (100%)			
	Hirofuka Ishikawa	17/17 (100%)			
Outside Directors	Takefumi Fukumizu	17/17 (100%)		2/2 (100%)	4/4 (100%)
	Tsugio Mitsuoka	16/17 (94%)		2/2 (100%)	4/4 (100%)
Directors, Members of the Audit and Supervisory Committee	Masayuki Fujii	17/17 (100%)	14/14 (100%)		
Outside Directors, Members of the Audit and Supervisory Committee	Tamesaburo Yamamoto	17/17 (100%)	14/14 (100%)		
	Satoko Suzuki	17/17 (100%)	14/14 (100%)		
	Tatsuya Tanaka	17/17 (100%)	14/14 (100%)		

*1 Retired as of June 26, 2025 *2 Retired as of June 26, 2024 *3 Appointed as of June 26, 2024

Number of directors



Key agenda items in fiscal 2024

• Progress with strategies and measures

Overseeing growth strategies, including in expanding specialty businesses and restructuring basic businesses, enhancing human capital for sustainable growth, and driving DX.

• Priority management issues

Overseeing sustainability management implementation, including in terms of addressing environmental issues, ensuring quality assurance and compliance (including with competition laws), and managing risks.

• Governance

Deliberating on the evaluation of the effectiveness of the Board of Directors and efforts to address identified issues, discussing revisions to the Corporate Governance Report, and evaluating the economic rationale for cross-shareholdings, etc.

Outside director

Since June 2005, UBE has appointed outside directors to incorporate independent third-party perspectives into decision-making and management oversight, thereby ensuring management efficiency, transparency, and objectivity. Furthermore, as advisory bodies to the Board of Directors, UBE has established voluntary Nominating Committee and Remuneration Committee. Each committee consists of three members, two independent outside directors and one non-executive internal director (the Chairperson of the Board), and is chaired by an outside director.

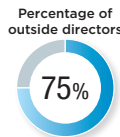
Executive officers

UBE has been using an executive officer system to separate supervision and business execution since June 2001. The President and Representative Director delegates authority to executive officers, who perform their duties based on management policies decided by the Board of Directors.

Corporate Governance

Audit and Supervisory Committee

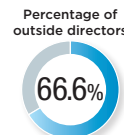
Chairman	Tamesaburo Yamamoto	Outside director / Independent director
Members	Satoko Suzuki	Outside director / Independent director
	Tatsuya Tanaka	Outside director / Independent director
	Masayuki Fujii	Non-executive inside director



In accordance with laws, regulations, and the Rules of the Audit and Supervisory Committee, the Audit and Supervisory Committee monitors and verifies the establishment and operation of the internal control system and supervises directors and other executive officers in their execution of duties. To this end, the Committee coordinates with the Internal Audit Department and the accounting auditors, engages in discussions with the President and Representative Director, and conducts audits of key directors in charge of business execution, executive officers, and various departments, expressing opinions as necessary. In addition, to ensure the appropriateness of the processes for the appointment, dismissal, and determination of remuneration of directors (excluding those who are Audit and Supervisory Committee members), outside directors serving as Audit and Supervisory Committee members attend meetings of the Nominating Committee and Remuneration Committee to confirm the content and procedures, and provide oversight as well as opinions as necessary.

Remuneration Committee

Chairman	Tsugio Mitsuoka	Outside director / Independent director
Members	Takefumi Fukumizu	Outside director / Independent director
	Masato Izumihara	Chairman of the Board, Non-Executive Inside Director



This body deliberates on the compensation of directors (excluding members of the Audit and Supervisory Committee) and executive officers, as well as several compensation-related programs. It provides independent, objective, and effective advice to the Board of Directors. As with the Nominating Committee, the majority of committee members are independent outside directors, with one of those individuals chairing this body, for independence and objectivity.

Number of Remuneration Committee meetings and details of activities in fiscal 2024

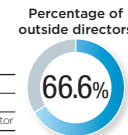
Number of meetings: 4

Details of activities:

- Deliberated setting FY2024 performance targets for directors and executive officers.
- Deliberated director and executive officer performance evaluations for FY2023 and determination of individual remuneration amounts for FY2024
- Discussed restricted stock remuneration allocations for FY2024
- Discussion on the revision of the executive remuneration system

Nominating Committee

Chairman	Takefumi Fukumizu	Outside director / Independent director
Members	Tsugio Mitsuoka	Outside director / Independent director
	Masato Izumihara	Chairman of the Board, Non-Executive Inside Director



This entity deliberates on director and executive officer selections and dismissals and succession plans. It provides independent, objective, and effective advice to the Board of Directors. As with the Nominating Committee, the majority of committee members are independent outside directors, with one of those individuals chairing this body, for independence and objectivity. The committee regularly discusses succession planning for the president and other executive officers. The Board draws on those deliberations to oversee this planning.

Succession plan for executive officers

At UBE, every year all executive officers are asked to recommend individuals, regardless of whether they are direct subordinates, who meet the Company's "Executive Officer Talent Criteria" and are considered suitable as their own successors. Based on these recommendations, an executive officer candidate list is compiled. This list is then reviewed and screened in meetings attended by the President, the officer in charge of HR, the CFO, and others, resulting in the creation of a shortlist of candidates categorized as short-term (immediately appointable), medium-term (around three years), or long-term (five years or more).

In principle, the next executive officers are selected from among the short-term candidates, with the President

preparing a nomination proposal that is deliberated by the Nominating Committee before being submitted to and approved by the Board of Directors. For medium- and long-term candidates, development plans are formulated to further strengthen their capabilities, including assigning them to gain necessary work experience.

Succession plan for the president and CEO

In addition, at UBE the CEO annually identifies several successor candidates, reports them to the Nominating Committee, and, as necessary, discussions and evaluations are conducted including future development plans such as expanded job responsibilities and tough assignments.

For these candidates, opportunities are intentionally increased to assess their abilities, for example, by having them present business reports at Board of Directors' meetings, so that they can be evaluated and selected appropriately. Through this process, both the Nominating Committee and the Board of Directors are actively involved in the selection and development of CEO successors. Ultimately, the final successor candidate proposals are deliberated by the Nominating Committee and then submitted to and decided by the Board of Directors.

Message from the Chairman of the Nominating Committee

The Nominating Committee regularly deliberates on the appointment and dismissal of directors and executive officers as well as succession plans, and provides the Board of Directors with independent, objective, and effective advice. Independent outside directors account for the majority (two-thirds) of the committee and one of them serves as chair, thereby ensuring independence and objectivity. In fiscal 2024, in line with the succession plan that has been regularly discussed each year, the committee deliberated on the selection of a successor to the President and Representative Director. At the same time, it also discussed the appointment of the first-ever female executive officer in UBE's history*. The outcomes of these deliberations were subsequently reviewed and resolved by the Board of Directors.

Takefumi Fukumizu

Chairman of the Nominating Committee

* As of April 2025, one female executive officer has been appointed at the Thailand location.

Corporate Governance

Skills matrix for directors

Members of the Board of Directors have a wealth of experience and advanced expertise in corporate management and management strategy, finance and accounting, sales and marketing, manufacturing, technology, R&D, and IT/DX, compliance and risk management,

sustainability (environment and society), human resource management, and internationality. We ensure diversity in gender as well as other areas, and choose directors who are members of the Audit and Supervisory Committee for their experience, capabilities, and knowledge of finance, accounting, and legal matters.

Skills matrix for directors

		Corporate Management / Management Strategy	Finance / Accounting	Sales / Marketing	Manufacturing / Technology / R&D / IT / DX	Compliance / Risk Management	Sustainability (Environment and Society)	Human Resource Management	Internationality
Directors	Masato Izumihara	●	●	●			●		
	Yuki Nishida	●		●	●		●		●
	Hirofumi Ishikawa		●				●	●	
	Ryo Kawamura					●		●	●
Outside Directors	Takefumi Fukumizu	●			●			●	
	Tsugio Mitsuoka	●			●	●	●		
Directors, Members of the Audit and Supervisory Committee	Masayuki Fujii		●	●		●			●
Outside Directors Audit and Supervisory Committee Members	Tamesaburo Yamamoto					●	●	●	
	Satoko Suzuki		●			●	●		
	Tatsuya Tanaka	●		●	●				●

Anticipated areas and roles

Corporate Management / Management Strategy	Oversee efforts to resolve UBE's business issues and improve corporate value by leveraging corporate management experience at companies and knowledge of organizational operations and management strategies
Finance / Accounting	Draw on experience and expertise in finance and accounting to deliver sound judgments and advice regarding capital policies, financial strategies, and financial reporting
Sales / Marketing	Harness experience and expertise in sales and marketing to assess and advise on sales and marketing policies, strategies, and business resource investments
Manufacturing / Technology / R&D / IT / DX	Draw on experience and expertise in technological fields to determine the suitability and advice regarding policies, strategies, and management resource investments in product manufacturing, technology development, R&D, and IT/DX
Compliance / Risk Management	Oversee and advise on compliance and risk management initiatives based on experience and expertise in compliance and risk management
Sustainability (Environment and Society)	Oversee and advise on sustainability initiatives based on experience and knowledge in environmental, social, and other sustainability areas
Human Resource Management	Employ experience and expertise in human resources, labor relations, and human resources development to evaluate and advise on Group human resources management initiatives
Internationality	Draw on experience and expertise in global business to oversee and advise on the Group's global deployment and issue resolution efforts

Effectiveness assessment of the board of directors

UBE convenes an annual Evaluation Meeting for the Effectiveness of the Board of Directors, composed of all directors, to deliberate on the effectiveness of the Board based on self-assessments by directors (through questionnaires, etc.). The Board of Directors conducts an evaluation of its effectiveness based on these deliberations.

At the Board of Directors meeting held in May 2025, it was concluded that the Board in fiscal 2024 maintained appropriate composition and operations, and that active discussions, proper deliberations, and effective oversight were conducted. Accordingly, the Board was evaluated as having ensured its effectiveness as a body focusing on the oversight function of management.

Issues and initiatives in fiscal 2024

(1)

Issue: Enhancing discussions on key business strategies

Initiative: The Board of Directors received reports on insights and lessons learned from past management and business strategies that had significantly impacted the Company. Sharing these cases with outside directors, who account for half of the Board, helped to deepen subsequent Board discussions.

(2)

Issue: Clarifying human capital strategies to realize growth and other objectives

Initiative: Human capital strategies for securing and developing talent to drive growth in specialty chemicals were reported and discussed at opinion exchange meetings and management study sessions for directors and officers.

Corporate Governance

Director and executive officer remuneration

The remuneration of directors (excluding Audit and Supervisory Committee members) is structured to function effectively as an incentive to achieve the sustainable enhancement of corporate and shareholder value. The basic policy is that, in determining individual directors' remuneration, amounts are set at appropriate levels commensurate with each role, within the overall limit approved at the General Meeting of Shareholders.

For inside directors, remuneration is designed to strengthen the linkage with performance and to reflect not only single-year results but also the achievement of medium- to long-term targets. In addition to cash remuneration, stock-based remuneration is also granted to reinforce the focus on enhancing corporate and shareholder value over the medium to long term.

Specifically, inside directors' remuneration consists of fixed base pay determined according to position,

along with performance-linked pay in the form of annual and long-term incentives. Annual incentives comprise companywide performance-linked pay and individual annual performance goal achievement-based pay. Long-term incentives comprise medium- to long-term individual performance goal achievement-based pay and restricted stock remuneration.

For outside directors, only fixed base remuneration is paid.

Director and executive officer remuneration system and method of calculation

Fixed remuneration / Performance-linked remuneration	Structure of remuneration	Name of remuneration	Form of remuneration	Method of calculation
Fixed remuneration	Base remuneration	Fixed remuneration for each position		Fixed remuneration for each position
Performance-linked remuneration	Annual incentives	Company performance-linked remuneration	Cash remuneration	Consolidated ordinary profit in the previous fiscal year × Coefficient for each position
		Remuneration based on evaluation of achievement of annual individual performance targets		Level of achievement of annual targets for each officer
	Long-term incentives	Remuneration based on evaluation of achievement of medium- to long-term individual performance targets		Level of achievement of 3–5 year medium- to long-term targets for each officer
		Restricted stock remuneration	Stock-based remuneration (Non-cash remuneration)	Ordinary year: Base amount for each position / Average share price during the previous fiscal year + Number of shares carried over from the previous fiscal year Adjusted year: Base amount for each position / Average share price during the previous fiscal year × (100% + Grant ratio - 20–30%)* + Number of shares carried over from the previous fiscal year (*Adjusted in a range from 80% to 130% depending on the level of achievement of the management indicators)

Note: Directors who are Audit and Supervisory Committee members and outside directors receive base remuneration only, at a fixed amount.

Total amounts of remuneration, etc., for each category of officer, total amounts for each type of remuneration, etc., and the number of eligible officers

Officers	No. of Officers	Fixed remuneration	Performance-linked remuneration			Total remuneration
		Base remuneration	Annual incentives	Long-term incentives	Of which, restricted stock remuneration	
Directors (excluding directors who are Audit and Supervisory Committee members) (of which, outside directors)	7 (2)	143 million yen (24 million yen)	57 million yen (–)	56 million yen (–)	28 million yen (–)	257 million yen (24 million yen)
Directors who are Audit and Supervisory Committee members (of which, outside directors)	4 (3)	81 million yen (43 million yen)	– (–)	– (–)	– (–)	81 million yen (43 million yen)
Total (of which, outside directors)	11 (5)	224 million yen (67 million yen)	57 million yen (–)	56 million yen (–)	28 million yen (–)	338 million yen (67 million yen)

*1 No directors concurrently serve as employees.

*2 Directors who are Audit and Supervisory Committee members receive base compensation only, at a fixed amount.

*3 Stock-based remuneration (restricted stock remuneration) is stated as the amount recorded as an expense for the fiscal year in accordance with accounting standards. Accordingly, this does not represent remuneration guaranteed to be paid in cash.

ESG targets

Among the material issues identified by UBE as most critical to achieving sustainable management, such as the expansion of specialty businesses and addressing global environmental issues, continuous efforts related to ESG are required. ESG-related objectives aligned with each director's responsibilities are incorporated into their medium- to long-term individual performance goals. These objectives are used in goal-setting, performance evaluation, and remuneration calculation, thereby strengthening incentives for achievement. The specific ESG targets differ for each director. Remuneration calculated based on the level of achievement of ESG targets accounts for approximately 10% of total remuneration under the system. The same framework also applies to executive officers.

Ratios of base remuneration and annual and long-term incentives of directors (Excluding members of the Audit and Supervisory Committee and outside directors) and executive officer remuneration

Fixed remuneration	Performance-linked remuneration	
Base remuneration: Approx. 50%	Annual incentives: Approx. 30%	Long-term incentives: Approx. 20%

Note: The ratios of annual incentives for the President and the Chairman are higher, and base remuneration lower, compared to the ratio indicated above.

Corporate Governance

FY2025 ESG targets

Areas	Materiality	ESG Goals: Major Initiatives Promoted Globally
Growth	Expanding specialty businesses	Growth through the expansion of businesses based on existing core technologies and the creation of new businesses through the acquisition of new core technologies
		Commitment to innovation
		Discovery of seeds for the next generation
		Enhancement of customer satisfaction
		Provision of high-quality and safe products and services
S: Society	Empowering and engaging a diverse workforce	Profit generation through the DX-driven transformation of operations and value creation for customers and society
		Human resource management and development
		Development of human resources for DX promotion
		Promotion of diversity, equity & inclusion
		Enhancement of employee engagement
	Ensuring occupational safety and health, process safety, and disaster prevention	Creation of a supportive and inclusive work environment
		Promotion of employee health
		Promotion of occupational safety
		Promotion of process safety and disaster prevention
		Promotion of environmental safety
E: Environment	Addressing global environmental issues	Reduction of GHG emissions to achieve carbon neutrality
		Promotion of a circular economy
		Reduction of chemical substance emissions
		Reduction of waste generation
G: Governance	Upholding integrity and fairness in corporate governance	Enhancement of compliance
		Prevention of corruption
		Promotion of engagement with local communities
		Thorough implementation and enforcement of effective information security measures

Cross-shareholdings

Basic approach

UBE may hold listed or unlisted shares as cross-shareholdings when deemed necessary to maintain and strengthen business alliances or transactional relationships and to facilitate the smooth promotion of UBE's business activities.

With respect to listed shares held as cross-shareholdings, the Board of Directors conducts an annual review of individual holdings, taking into account UBE's cost of capital, and makes a comprehensive determination on the appropriateness of continued ownership. Shares for which the significance of holding is considered insufficient are promptly sold, taking into consideration trends in the stock market and other relevant factors.

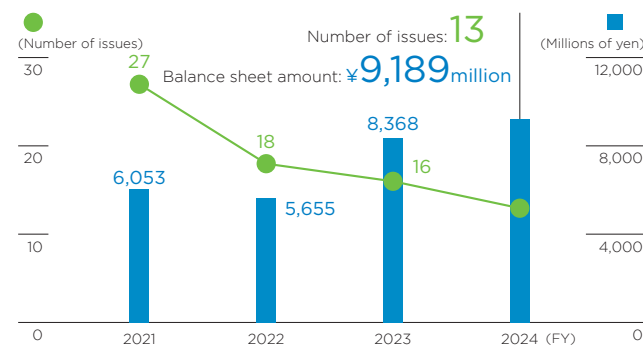
When exercising voting rights associated with cross-shareholdings, UBE makes decisions on whether to approve or disapprove proposals through a comprehensive judgment based on whether the proposal

is expected to generate returns for UBE by enhancing the shareholder value of the investee company.

Status of shareholdings

As of March 31, 2025, UBE held 65 cross-shareholdings valued

Listed cross-shareholdings and balance sheet carrying



at ¥9,816 million. These comprised ¥9,189 million across 13 listed stocks and ¥627 million in 52 unlisted holdings. These cross-shareholdings represented approximately 2.4% of the Company's consolidated net assets.

General Meeting of Shareholders and exercise of voting rights

UBE issues its Notice of Convocation three weeks before the General Meeting of Shareholders. It ensures that shareholders receive information earlier by also posting the notice on its website and that of the Tokyo Stock Exchange around four weeks before that gathering. UBE enables shareholders to opt for postal and online voting so they can exercise their voting rights if they cannot attend the meeting. Since institutional and overseas investors hold a significant number of shares, UBE uses an electronic voting platform for them and provides an English translation of the Notice of Convocation on its website and that of the Tokyo Stock Exchange.

In addition, to enhance services for shareholders, UBE provides a live internet broadcast of the General Meeting, allowing shareholders in remote locations to view the proceedings.

At the 118th General Meeting of Shareholders held on June 26, 2024, a total of 24,424 shareholders exercised their voting rights (including 22,286 shareholders who exercised voting rights in writing and via the internet), representing 71.1% of total voting rights.

Engagement with shareholders

We aim to fairly disclose timely and appropriate information. We engage closely with investors and draw on their feedback to improve corporate value. We accordingly provide extensive opportunities for investors to speak directly with the president and CEO and other members of the management team.

Detailed information on our IR activities and key IR initiatives for fiscal 2024 is available in the Investor Relations section of the UBE Group website.
<https://www.ube.com/ube/en/ir/>

Corporate Governance

Internal control systems

UBE has appointed a Chief Compliance Officer (CCO) and a Chief Risk Officer (CRO). Through the Legal Department, Environment & Safety Department, Quality Assurance Department, and other internal control divisions, as well as specialized committees on compliance, information security, security export control, and crisis management, and the Risk Management Committee, reports are made to the Executive Committee (Sustainability Committee). In this way, UBE undertakes internal control and risk management on a Groupwide basis.

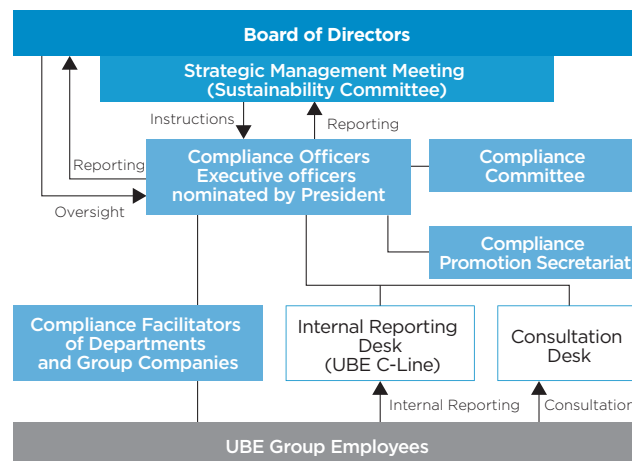
Detailed information on the Internal Control System is available in the Corporate Governance Report of the UBE Group website.
https://www.ube.com/ube/en/ir/library/governance_report/

Compliance

The UBE Group promotes compliance based on the UBE Group Code of Conduct, which sets forth standards for judgment and behavior in business execution.

To quickly detect and correct compliance issues such as workplace harassment, labor problems, embezzlement and other misconduct, and corruption including bribery and collusion, the UBE Group has established the

Compliance framework



“UBE C-Line,” a hotline that allows executive officers and employees to report concerns directly without going through normal reporting lines. In addition to an independent external hotline, UBE has also set up a hotline for direct reports to a director who is a member of the Audit and Supervisory Committee, as well as a channel through the labor union. In fiscal 2024, there were 38 internal reports filed.

UBE also places strong emphasis on awareness-raising and educational activities by continuously providing compliance-related information, e-learning, and group training programs. In fiscal 2024, in addition to training on harassment prevention, the Company provided legal education on the Antimonopoly Act, Subcontract Act, Labor Standards Act, and the Foreign Exchange and Foreign Trade Act. Furthermore, compliance training was conducted for managers at Group companies and meetings were held with overseas offices, thereby promoting compliance throughout the entire Group.

Detailed information on the UBE Group Code of Conduct is available on the UBE Group website.
https://www.ube.com/ube/en/sustainability/pdf/governance/compliance/code_of_conduct.pdf

Preventing corruption

To prevent bribery of public officials in Japan and abroad as well as other corrupt practices, the UBE Group explicitly prohibits engaging in or being complicit in corrupt acts in its UBE Group Code of Conduct, and has also established the UBE Group Anti-Bribery Guidelines. The Group regularly conducts awareness and training programs, including e-learning, for directors and employees. In addition, when any suspected cases of bribery of public officials, excessive entertainment with business partners, exchanges of money or goods, or collusion are reported through internal hotlines, compliance officers and the relevant departments promptly conduct fact-finding investigations and take necessary actions in close coordination.

In fiscal 2024, there were no incidences of corruption,

which would be subject to disciplinary proceedings, resulting in no payment of fines and charges.

Detailed information on UBE Group Anti-Bribery Guidelines is available in the Anti-Corruption section of the UBE Group website.
<https://www.ube.com/ube/en/sustainability/governance/anti-corruption/>

Information security (Cybersecurity)

The UBE Group has appointed a chief information security officer (the executive officer overseeing the Information Systems Department). To support and advise the CISO, the Group has established the Information Security Committee, which plans and deliberates on key matters related to information security. In this way, UBE has built an appropriate information security management framework.

Furthermore, the Group has formulated the UBE Group Information Management Guidelines and strictly ensures proper disclosure, use, protection, and management of information. Aiming to maintain zero annual occurrences of security incidents with external impact, UBE provides regular internal training to ensure that all directors and employees recognize the importance of information security.

Since fiscal 2022, UBE has also actively utilized external evaluations based on various rules and guidelines to clarify its own vulnerabilities through comparisons with industry peers. As a result, the Group has enhanced its cybersecurity measures, with its information security benchmark score improving by 6.3 points from fiscal 2022 to reach 66.0.

Through these efforts, UBE is advancing a wide range of initiatives to ensure information security, aiming to remain a Group that is trusted and highly regarded by society.

Detailed information on our information security management structure and the UBE Group Information Management Guidelines is available in the Cybersecurity section of the UBE Group website.
<https://www.ube.com/ube/en/sustainability/governance/cyber-security/>

Risk Management System

Risk management system

UBE suitably manages Group risks and stipulates risk management rules based on the Basic Policy for Establishing Internal Control adopted by the Board of Directors. In this way, a Groupwide risk management framework has been established for all UBE Group companies. To oversee and promote risk management activities across the UBE Group, the President appoints a director or executive officer to serve as the Chief Risk Officer (CRO). The CRO is supported by the Risk Management Department, which acts as the secretariat for risk management.

For management risks that may significantly affect the entire UBE Group, deliberations are first held by the Risk Management Committee and then submitted to the Strategic Management Meeting (Sustainability Committee) for further discussion regarding risk identification, management policies, and the effectiveness of countermeasures. The Board of Directors oversees these activities by receiving regular reports on the outcomes of such deliberations. Management risks are categorized into strategic risks and operational risks. Individual officers are appointed to oversee each risk theme. Under this system, each responsible officer evaluates the risk and the effectiveness of countermeasures from a Groupwide perspective, and then provides guidance and instruction to relevant departments for the implementation of risk management measures in the following fiscal year.

Through these Groupwide risk management activities, the UBE Group strives to reduce risks, minimize damage and prevent escalation when risks materialize, and ensure that management is able to make appropriate decisions on matters such as instructions and resource allocation. By maintaining this system, we aim to support the Group's sustainable growth and enhance corporate value.

Risk management system and operations

Since its introduction in FY2018, UBE's risk management system has been continuously improved. In FY2024, in addition to reviewing risk themes in response to changes in the internal and external business environment, we enhanced our framework by introducing a two-tier risk management structure (see diagram below). This system combines top-down risk management led by executives through the UBE Risk Management System for key management risks, with bottom-up autonomous risk management carried out by division heads through the Divisional Risk Management System. The aim is to further improve the quality of Groupwide risk management.

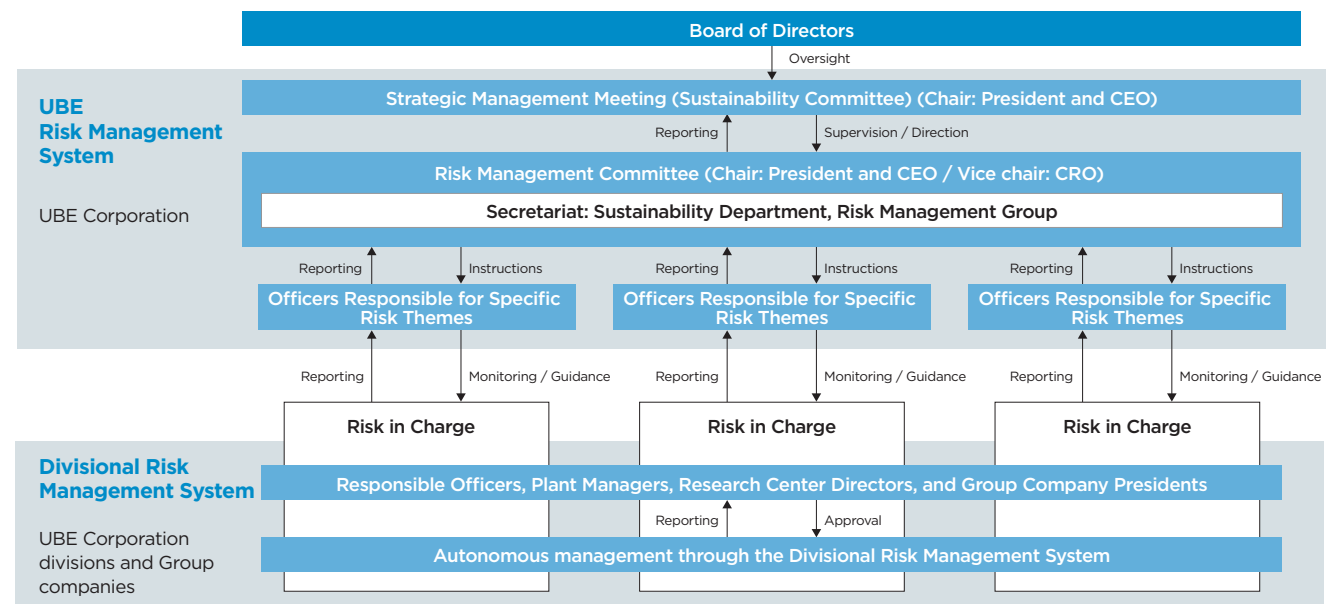
Furthermore, at UBE Corporation headquarters, we introduced a Headquarters Management System based on

ISO standards (such as ISO 9001 for Quality Management Systems). This system strengthens our ability to address stakeholder disclosure requirements and customer expectations, and synchronizes the management PDCA cycles of our business units, sites, and Group companies that hold ISO certifications. This alignment reinforces our risk management capabilities as a global specialty chemicals company.

Through this two-tier management framework, which links top-down and bottom-up PDCA risk management cycles across the UBE Group, we are building and promoting a comprehensive risk management system that enables us to appropriately manage risks across the entire Group.

Detailed information on the "Risk Management" is available on the UBE Group's website:
<https://www.ube.com/ube/en/sustainability/governance/risk/>

UBE Group risk management framework



Growth Strategy of UBE MACHINERY CORPORATION



Products contributing to the electrification of automobiles (xEVs)

As a die-casting machine developed and launched in Japan, it boasts the largest clamping force of 9,000 tons.



Expand machinery business earnings through after-sales services

Cultivate core repair, consulting, and upgrade after-sales services



Restoring equipment to its original performance
Repair Services

- Overhaul
- Repair damaged parts
- Replacement consumables
- Readjustment machinery



Optimize equipment performance
Consulting Services

- Diagnose and analyze equipment
- Diagnose machine performance
- Hold training sessions
- Provide technical support and solutions



Further expand equipment capabilities
Upgrade Services

- Retrofit (upgrade control equipment)
- Save energy
- Enhance efficiency
- Integrate with the Internet of Things

Company overview

Founded in 1914 as the anonymous partnership Ube Shinkawa Iron Works engaged in the manufacture and repair of machinery for coal mining in Ube, Yamaguchi Prefecture. As the machinery division of the UBE Group, the company has continuously taken on new technological challenges and expanded its business. At present, it develops a wide range of businesses in various fields such as molding machines, industrial machinery, electronics, and hydraulic and environmental equipment. We always continue to create value with a customer-oriented approach and play a fundamental role in the development of social and industrial infrastructure.

Long-term vision and target

Long-term vision: While enhancing competitiveness, strengthen the earnings base, pursue autonomy, and improve business value.

Target: Contribute to customers with products and services with strong brand power.

Medium-term management plan policy: Aim for stock market listing within the medium-term management plan period as the final stage of independence.

Business policy in the medium-term management plan

Molding machine business (Die casting and extrusion)

In anticipation of full-scale demand from Japanese automakers for ultra-large die-casting machines for giga casting, we will aim to secure sales share in the world's major markets by developing a series and mass production system, further cost reduction through new development, expansion of high-cycle machines, as well as product strategies by region and expansion into the Indian market.

Molding machine business (injection molding machines)

Along with carbon neutrality initiatives such as the use of recycled materials and development of ultra-large die-casting machines, we will expand the lineup of toggle and two-platen type machines to meet the diverse needs of customers in the automotive and logistics fields, aiming to expand market share among Japanese competitors.

Industrial machinery business

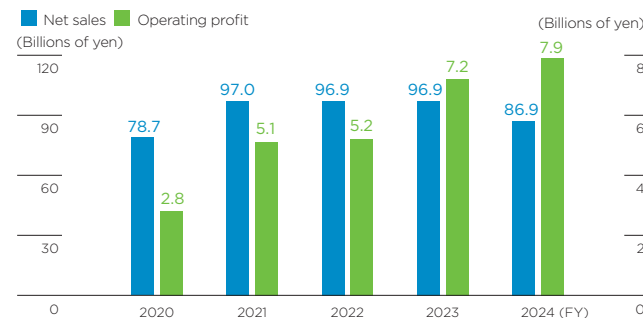
Amid changes in the environmental-related market, we will participate in fuel conversion to ammonia, introduction of electric arc furnaces for steelmaking, and supply of equipment for offshore wind power generation through utilization of government subsidy systems and acquisition of standards such as EN*. We will constantly update our future growth engines and contribute to the development of infrastructure for a decarbonized society.

Service business

In order to respond timely to customer needs such as preventive maintenance, quality improvement, and renewal of aging facilities, we will continue to develop ICT products and accelerate the speed of quotations and parts supply by building global bases, thereby expanding the service business.

* European Norm: Standards for products in the EU region

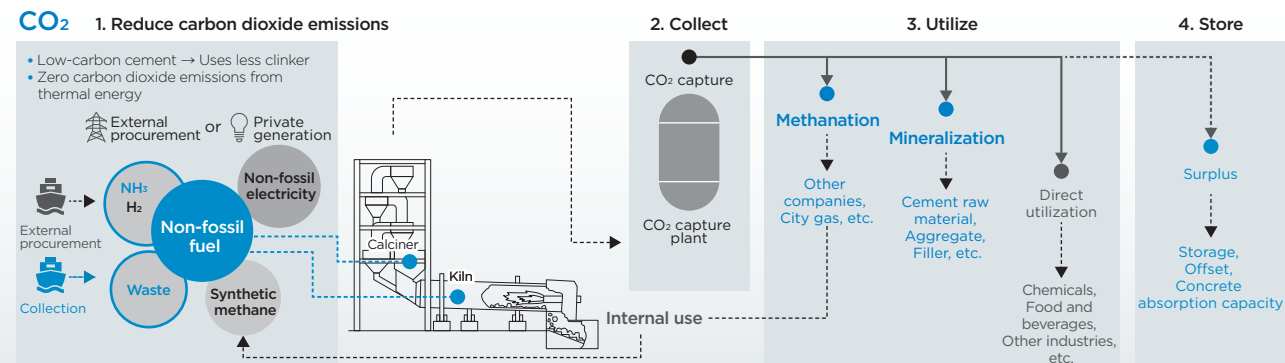
Performance trends of the machinery segment



Growth Strategy of Mitsubishi UBE Cement Corporation



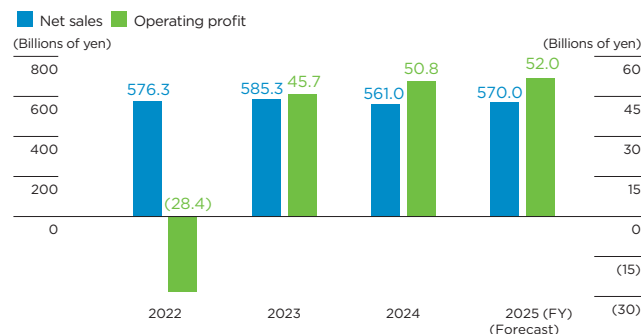
Promotion of climate change countermeasures in Japan: We aim to realize a decarbonization scheme with business viability unique to cement manufacturers



Company overview

Mitsubishi UBE Cement Corporation was established through the integration of the cement-related businesses of UBE and Mitsubishi Materials Corporation, and commenced operations on April 1, 2022. Guided by its corporate philosophy, “Continue to support the future of the planet by providing the highest quality with the best technology and services,” the company is committed to ensuring the safe and stable supply of basic materials for social infrastructure development and contributing to the advancement of a circular society. Through these efforts, its mission is to safeguard a sustainable future for the Earth and its people across generations.

Results



Progress of the medium-term management strategy (2023-2025)

Infinity with Will 2025
“MUCC Sustainable Plan 1st STEP”
Three years for “groundwork toward corporate vision” and “preparation for new business creation and growth strategy”

Priority action	Top priority
	1. Strengthening and Cost Reduction of Domestic Cement Business
	2. Business Growth in the U.S. and Exploration of New Business Sites
	3. Promotion of Global Warming Countermeasures
	4. Strengthening and Expansion of Domestic Value Chain
	5. Enhancement of R&D and Business Management

As the second year of the Medium-Term Management Strategy, fiscal 2024 faced a severe business environment, including sluggish demand for cement and ready-mix concrete in both Japan and the United States and increases in various costs. In such circumstances, in Japan, price pass-through was implemented alongside cost reduction measures, such as the expanded use of low-cost thermal energy. In the U.S., early realization of price pass-through and strengthening of the supply system were carried out. As a result, the initial profit plan of 39.0 billion yen for the medium-term period was achieved for the second consecutive year. In May 2025, it was announced that preparations had begun for a listing on the Tokyo Stock Exchange.

Initiatives toward carbon neutrality

To realize a decarbonized society, we are promoting diverse initiatives under the four pillars of “Reduce,” “Collect,” “Utilize,” and “Store” CO₂. We aim to reduce CO₂ emissions 40% from fiscal 2013 levels by 2030, and to achieve carbon neutrality in 2050.

[Main initiatives]

- Developed “GX-e Beads,” a carbon-negative fine aggregate that can fix CO₂ (announced in January 2025)
- Formed a business alliance with MCI Carbon Pty Ltd (Australia) and Itochu Corporation for commercialization of CO₂ utilization technology (announced in January 2025)
- Started the world’s first commercial-scale ammonia co-firing demonstration test at the Yamaguchi Plant Ube District (announced in February 2025)
- Agreed with Kobe Steel, Ltd. to jointly explore commercialization of the manufacture and sale of black pellets (announced in May 2025)
- The local carbon recycling model project centered on a cement plant in Kitakyushu was adopted by the Ministry of Economy, Trade and Industry as part of the “Project for Strengthening Resilience of Autonomous Resource Recycling System Through Industry-Government-Academia Collaboration” (announced in June 2025)

Financial Data

	FY2015	FY2016	FY2017	FY2018 ^{*1}	FY2019	FY2020	FY2021 ^{*2}	FY2022	FY2023	FY2024
Results of Operations (Millions of yen)										
Net sales	641,750	616,563	695,574	730,157	667,892	613,889	655,265	494,738	468,237	486,802
Breakdown of net sales by reportable segment ^{*3}										
Chemicals	266,736	258,364	305,432	314,984	286,041	259,380	341,493	—	—	—
Specialty Products	—	—	—	—	—	—	—	62,158	63,750	66,157
Polymers & Chemicals	—	—	—	—	—	—	—	293,388	257,175	287,230
Pharmaceuticals	9,280	10,975	10,213	10,129	—	—	—	—	—	—
Construction Materials	237,343	227,236	238,854	250,250	303,037	282,855	221,476	—	—	—
Machinery	73,435	71,668	90,140	97,264	90,799	78,727	96,987	96,921	96,886	86,876
Energy & Environment	69,066	59,782	71,361	75,853	—	—	—	—	—	—
Others	16,792	12,520	4,797	4,935	4,576	3,117	3,411	73,110	80,491	67,780
Adjustment	(30,902)	(23,982)	(25,223)	(23,258)	(16,561)	(10,190)	(8,102)	(30,839)	(30,065)	(21,241)
Operating profit	41,408	34,960	50,250	44,551	34,033	25,902	44,038	16,210	22,456	18,045
Ordinary profit (loss)	39,620	33,348	50,728	47,853	35,724	23,293	41,549	(8,745)	36,333	22,372
Profit (loss) before income taxes	27,653	32,933	45,000	44,678	30,364	22,433	36,794	(2,652)	35,068	(10,890)
Profit (loss) attributable to owners of parent	19,111	24,185	31,680	32,499	22,976	22,936	24,500	(7,034)	28,981	(4,816)
Financial Position (Millions of yen)										
Total assets	679,783	709,379	742,445	740,286	727,269	769,710	837,954	732,681	789,034	865,669
Current assets	276,925	295,041	316,876	315,699	303,956	331,727	394,689	283,116	295,678	358,377
Non-current assets	402,744	414,226	425,413	424,424	423,145	437,810	443,132	449,416	493,201	507,068
Deferred assets	114	112	156	163	168	173	133	149	155	224
Total liabilities	390,161	398,978	405,584	385,734	372,822	389,075	443,919	351,050	359,679	453,656
Current liabilities	233,256	245,828	253,098	226,063	199,336	200,440	249,174	172,232	198,221	197,719
Non-current liabilities	156,905	153,150	152,486	159,671	173,486	188,635	194,745	178,818	161,458	255,937
Total net assets	289,622	310,401	336,861	354,552	354,447	380,635	394,035	381,631	429,355	412,013
Other										
Net income (loss) per share (Yen) ^{*4}	18.06	22.85	301.65	312.36	227.33	226.79	249.31	(72.54)	298.59	(49.60)
Cash dividends per share (Yen) ^{*4}	5.00	6.00	75.00	80.00	90.00	90.00	95.00	95.00	105.00	110.00
Shareholders' equity per share (Yen) ^{*4}	251.90	270.76	3,002.86	3,261.23	3,287.73	3,549.52	3,813.16	3,726.39	4,210.11	4,067.90
Return on sales (ROS) (%)	6.5	5.7	7.2	6.1	5.1	4.2	6.7	3.3	4.8	3.7
Return on assets (ROA) (%) ^{*5}	6.5	5.5	7.6	6.9	5.2	3.7	5.4	(0.7)	5.1	3.3
Return on equity (ROE) (%) ^{*6}	7.2	8.7	10.5	10.1	6.9	6.6	6.7	(1.9)	7.5	(1.2)
Shares of common stock issued (Thousands) ^{*4,7}	1,058,187	1,058,495	105,017	101,042	101,102	101,144	96,807	97,041	97,073	97,121
Number of consolidated subsidiaries	68	70	70	71	69	66	65	36	36	34

^{*1} We have adopted the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan Statement No. 28, February 16, 2018) since April 1, 2018. The respective figures from fiscal 2017 onward indicate the amounts after the aforementioned accounting standard has been applied.

^{*2} We have adopted the "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan Statement No. 29, March 31, 2020) since fiscal 2021. The respective figures from fiscal 2021 onward indicate the amounts after the aforementioned accounting standard has been applied.

^{*3} From fiscal 2019, the Pharmaceuticals segment was integrated into the Chemicals segment, and the Energy & Environment segment was integrated into the Construction Materials segment, resulting in four segments: Chemicals, Construction Materials, Machinery, and Others. As the cement-related business became an equity-method affiliate since fiscal 2022, our reportable segments were changed to four new segments: Specialty Products, Polymers & Chemicals, Machinery, and Others. The Pharmaceutical business, which was previously included in the Chemicals segment, has been integrated into the Others segment.

^{*4} On October 1, 2017, we conducted a reverse stock split at a ratio of 10 shares of common stock to 1 share.

Net income per share and net assets per share for fiscal 2017 are calculated on the assumption that this reverse stock split was conducted at the beginning of the fiscal year.

^{*5} ROA = (Operating profit + Interest and dividend income + Share of profit of entities accounted for using equity method) / Average total assets

^{*6} ROE = Profit attributable to owners of parent / Average shareholders' equity

^{*7} Shares of common stock issued excluded treasury stock

Non-financial Data

		FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Unit:
Environment ^{*1}								
GHG emissions (Scope 1) ^{*2}	UBE Group	3,710	3,280	4,060	3,400	3,140	2,780	kt-CO ₂ e/y
GHG emissions (Scope 2) ^{*2}		590	510	520	420	370	420	kt-CO ₂ e/y
Energy consumption	UBE Group	22,140	20,920	10,644	7,841	7,486	7,340	Thousands of MWh
Industrial waste	Industrial waste generated	561,591	476,127	522,644	285,780	277,386	218,789	t
	Waste for external final disposal	6,463	6,347	5,895	5,159	4,887	2,946	t
	Industrial waste recycling ratio	69	72	73	75	72	73	%
Water resource withdrawals ^{*3}		212	202	212	370	414	394	Million m ³
Water discharges ^{*3}		163	152	159	345	385	362	Million m ³
Social								
Number of employees	UBE Group	10,890	10,897	9,849	8,028	7,882	7,563	Number of people
Percentage of women in the workforce		—	12.9	14.5	15.0	15.0	16.0	%
Percentage of women in management positions		—	2.6	3.3	4.1	4.6	5.8	%
Percentage of mid-career hires (Career-track employees)	UBE Group in Japan	—	—	31.6	37.3	36.1	51.3	%
Non-Japanese national hires		—	—	3	0	7	5	Number of people
Percentage of annual paid leave taken		—	—	71	74	81	81.3	%
Percentage of male employees taking childcare leave ^{*4}	Parent company	63.2	72.3	75.5	97.2	107.2	90.9	%
New graduate hires		103	127	69	47	71	45	Number of people
Number of newly registered patents ^{*2,5}		354	271	236	177	178	205	Number of cases
Number of patents held ^{*2,5}	UBE Group	4,192	4,026	3,225	2,899	2,789	2,937	Number of cases
Lost work time injury frequency rate ^{*2}		0.19	0.38	0.38	0.60	0.69	0.45	
Governance								
Number of directors		9	9	9	10	10	10	Number of people
Of which, number of outside directors		4	4	4	5	5	5	Number of people
(Percentage of outside directors)	Parent company	44.4	44.4	44.4	50.0	50.0	50.0	%
Of which, number of female directors		0	0	0	1	1	1	Number of people
(Percentage of female directors)		0.0	0.0	0.0	10.0	10.0	10.0	%

^{*1} Data for FY2024 include figures that are scheduled to receive assurance through third-party verification.

Figures may change as a result of third party verification.

^{*2} Excluding cement-related business transferred to Mitsubishi UBE Cement Group

^{*3} Figures for fiscal 2022 and beyond include cooling seawater for private power generation.

^{*4} The percentage of male employees taking childcare leave is calculated as (b/a), where (a) represents the number of male employees whose children were born during the relevant fiscal year and who were eligible for childcare leave, and (b) represents the number of male employees who newly took childcare leave during that year.

Since (b) also includes male employees whose children were born in a previous fiscal year but who did not take leave until the fiscal year of calculation, the percentage may exceed 100%.

^{*5} Patents held by UBE and some Group companies

Investor Information

Corporate data

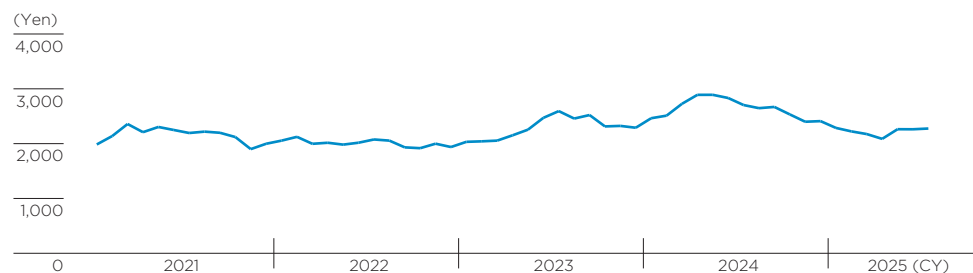
Founded	June 1897
Established	March 1942
Consolidated Companies	51 (34 consolidated subsidiaries and 17 equity-method affiliates)
Fiscal Year	April 1 to March 31
Common Stock	Outstanding: 97,120,810 shares (excluding treasury stock of 9,079,297 shares)
Paid-in Capital	¥58.4 billion
Annual General Shareholders' Meeting	June
Stock Exchange Listing	Prime Market of Tokyo Stock Exchange (Code: 4208)
Transfer Agent and Share Registrar	Mitsubishi UFJ Trust and Banking Corporation 1-4-5, Marunouchi, Chiyoda-ku, Tokyo 100-8212, Japan
Independent Auditors	Ernst & Young ShinNihon LLC

Major shareholders

Shareholder	Share units owned	Percentage of voting rights
1 The Master Trust Bank of Japan, Ltd. (Trust Account)	17,358,700	17.87%
2 Custody Bank of Japan, Ltd. (Trust Account)	7,156,050	7.37%
3 SUMITOMO LIFE INSURANCE COMPANY	2,000,000	2.06%
4 DFA INTL SMALL CAP VALUE PORTFOLIO	1,620,854	1.67%
5 Nippon Life Insurance Company	1,600,009	1.65%
6 THE YAMAGUCHI BANK, Ltd.	1,535,664	1.58%
7 STATE STREET BANK AND TRUST COMPANY 505001	1,366,347	1.41%
8 JP MORGAN CHASE BANK 385781	1,344,645	1.38%
9 The Norinchukin Bank	1,237,409	1.27%
10 STATE STREET BANK WEST CLIENT - TREATY 505234	1,213,400	1.25%

Note: As UBE holds 9,079,297 shares of treasury stock, we are excluded from the major shareholders stated above.
Percentages of voting rights are calculated by subtracting the number of shares of treasury stock.

Stock price



UBE's inclusion in ESG investment benchmarks (As of July 2025)



FTSE4Good



FTSE Blossom
Japan Index



FTSE Blossom
Japan Sector
Relative Index



Sompo Sustainability Index

2025 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)

Note: The inclusion of UBE Corporation in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of UBE Corporation by MSCI or any of its affiliates.

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About this Integrated Report

Executive officer declaration

Thank you for taking the time to read this report.

In this Integrated Report, in order to demonstrate the reliability of the measures toward achieving the new medium-term management plan, we placed emphasis on introducing the strengths of the UBE Group, particularly the competitive advantages and growth strategies in the specialty business. We also continued to enhance the quality of disclosure regarding sustainability initiatives, including human resource strategies that support the growth of the specialty business.

In preparing this report, opinions obtained through meetings with multiple institutional investors regarding the Integrated Report, which we conduct annually, were reported to top management, and issues were extracted before starting the planning process. During the production process, we collaborated with relevant departments to make efforts to collect the latest and most appropriate information, and produced the report in accordance with the planning intent.

I hereby declare that the editorial process and the published content are valid and genuine.

We would be grateful if this report could serve as a reference in helping you understand the UBE Group's enhancement of corporate value over the medium to long term.

Hiroataka Ishikawa

Representative Director, Managing Executive Officer, CFO, CRO, with responsibility for Sustainability Department, Corporate Communications Department, Corporate Planning Department, Accounting Department, Finance Department, and Deputy responsibility for M&A Promotion Office

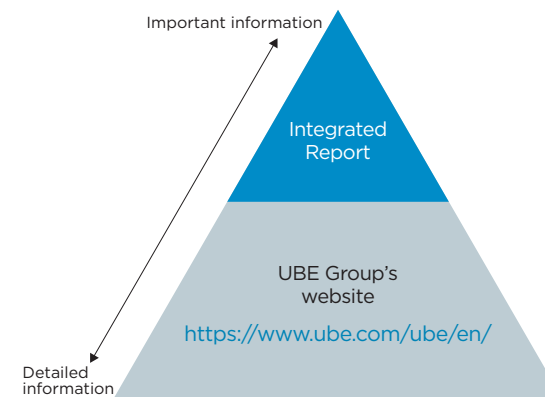


Editorial policy

Reference Guidelines	International Integrated Reporting Framework of the IFRS Foundation Ministry of Economy, Trade and Industry (METI) Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation
Reporting Period	This report covers fiscal 2024, ended March 31, 2025, and also includes activities and information before and after that term.
Scope of Coverage	UBE Corporation, and consolidated and non-consolidated subsidiaries
Fiscal Year-End of the Company	March 31 The fiscal year ended March 31, 2025, is fiscal 2024.
Forward-Looking Statements	This report contains forward-looking statements regarding UBE's plans, outlook, strategies, and results for the future. All forward-looking statements are based on judgments derived from information available to the Company at the time of publication. Certain risks and uncertainties could cause the UBE Group's actual results to differ materially from any projections presented in this report. These risks and uncertainties include, but are not limited to, the economic circumstances surrounding the Company's business, competition, product development, exchange rates, and revision of related laws and regulations.

Information disclosure framework

The UBE Group publishes information for its stakeholders through a variety of media.



- Integrated Report covers basic and important information for our stakeholders.
- Please refer to the UBE Group's website for detailed information on specific areas.

Investor relations

The site includes management policies, financial and operating results, stock information, IR materials, and other disclosures.

<https://www.ube.com/ube/en/ir/>

Sustainability

Information regarding sustainability, environmental and safety initiatives, compliance, risk management, corporate governance, human rights and labor, and quality are available in the Sustainability section of the UBE Group's website:

<https://www.ube.com/ube/en/sustainability/>

UBE Corporation

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