

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

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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.



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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

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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.