

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.



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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

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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.

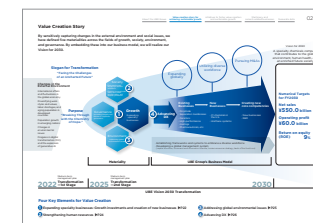
To ensure that we can systematically and consistently implement structural reform in an increasingly uncertain environment, the new plan spans six years through fiscal 2030 and outlines a vision for fiscal 2035–2040. In addition, the new plan defines five issues of materiality.

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

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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.

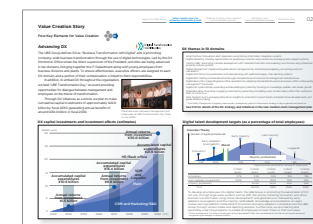
To strengthen the long-term and strategic focus of our M&A objectives, in April 2025 we established a new M&A governance body, under the direct control of the president, tasked with overseeing and supporting all M&A initiatives. I look forward to being directly engaged in leading our M&A ventures and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

Priority strategy (2) strengthen human resource management

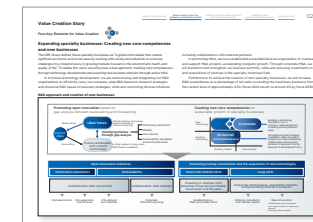
We are comprehensively reforming the HR system to highlight career ownership and DE&I—which are essential to our organizational development.

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

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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.

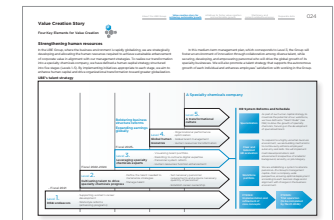
Dialogue with shareholders We will actively communicate with shareholders and investors and consider ways to strengthen returns.

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.

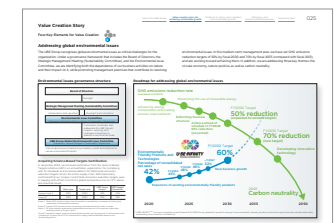
One of the areas we are particularly emphasizing is reporting our performance in areas related to global environmental issues. The UBE Group is implementing environmental measures following international standards with the aim of becoming carbon neutral by 2050. The structural reforms we have decided 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



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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.