

# 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

## Materiality KPIs, targets and results

Areas	Goals	Materiality	Main initiatives promoted globally	KPIs	Results			Targets
					FY2022	FY2023	FY2024	
	<b>Solving social issues through our business</b> 	<b>Expanding specialty businesses</b>	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
				Number of serious quality or product safety incidents	0	0	0	0
Provision of high-quality and safe products and services	Number of regulatory violations related to quality or product safety	0	0	0	Number of violations resulting in administrative measures: 0			
	Return on DX investment	—	¥231 million	¥1,510 million	Fiscal 2030: ¥30 billion			
	<b>Well-being of workers and respect for human rights</b> 	<b>Empowering and engaging a diverse workforce</b>  <b>Ensuring occupational safety and health, process safety, and disaster prevention</b>	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	Fiscal 2030: 67.0	
				Percentage of annual paid leave taken (consolidated companies in Japan)	74%	81%	81.3%	Fiscal 2030: 100%
			Creation of a supportive and inclusive work environment	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			
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			
	<b>Conservation and restoration of the natural environment</b> 	<b>Addressing global environmental issues</b>	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	Fiscal 2030: 50% (2,370 kt) (compared with fiscal 2013) Fiscal 2050: Carbon neutrality
				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)			
	<b>Stakeholder trust</b> 	<b>Upholding integrity and fairness in corporate governance</b>	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.