

## 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.

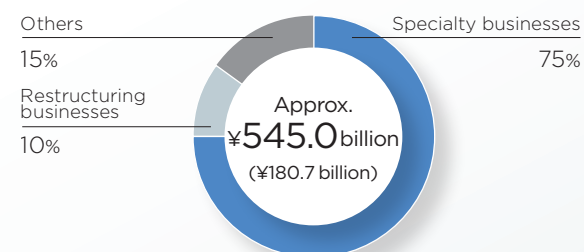
### Numerical plans by segment

(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



	Investments Approx. ¥460.0 billion (¥150.1 billion)	R&D expenditure Approx. ¥85.0 billion (¥30.6 billion)
Specialty (Including M&A)	75%	75%
Restructuring businesses	10%	20%
Others	15%	5%

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."

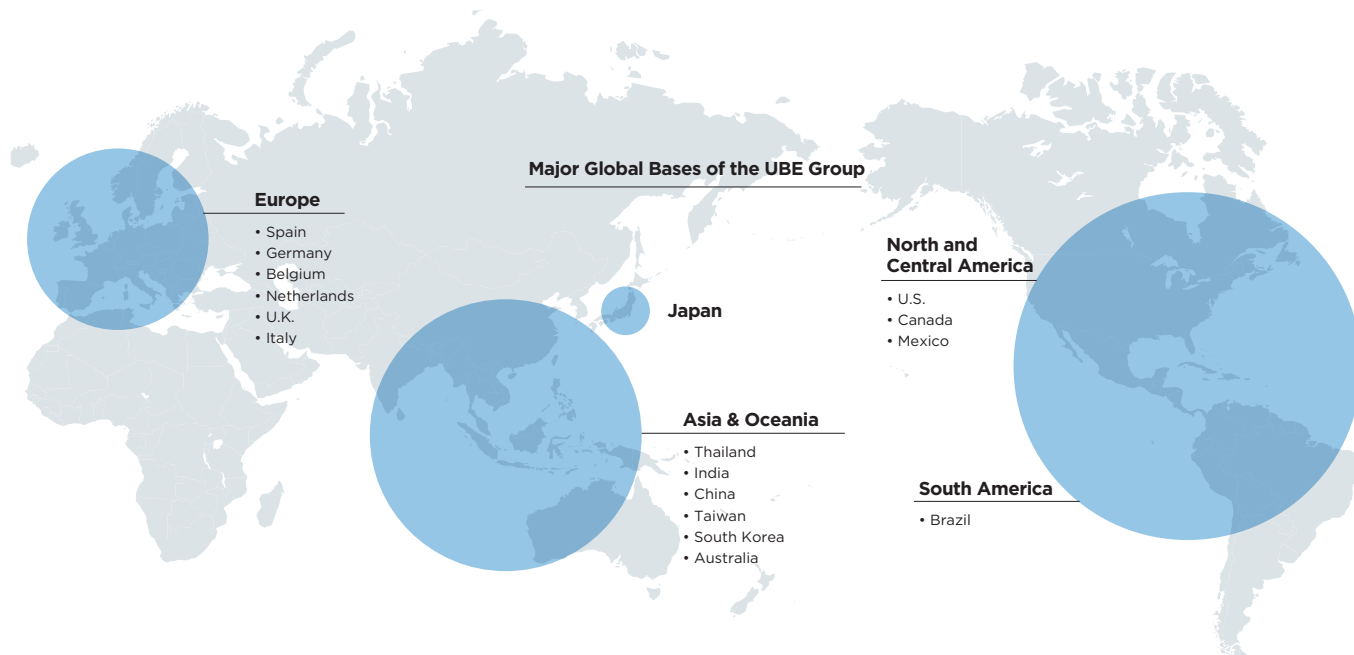
The UBE Group is currently constructing a new DMC/EMC plant in the United States, scheduled to begin operations in the second half of fiscal 2026. In addition, in April 2025 we acquired the urethane systems business, whose main base is in the United States, from Germany's LANXESS. As a result, the Americas 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<sup>\*1</sup>

<b>Mobility</b>		
<b>Vehicle electrification/weight reduction</b>		<b>Performance improvement</b>
<ul style="list-style-type: none"> <li>• Ceramics Bearings, substrates</li> <li>• Cl chemicals (DMC &amp; EMC) LiB<sup>2</sup> electrolytes</li> </ul>	<ul style="list-style-type: none"> <li>• Separators LiB<sup>2</sup> separators</li> <li>• Composites Vehicle weight reduction (metal component replacement)</li> </ul>	<ul style="list-style-type: none"> <li>• High-performance coatings Synthetic leather (automotive interior materials), water-based coatings (exterior coatings)</li> <li>• Urethane systems Tires, wheels</li> <li>• Elastomers Tires</li> </ul>
<b>Energy &amp; Sustainability</b>		
<b>Renewable energy</b>	<b>Resource development</b>	<b>Storage batteries</b>
<ul style="list-style-type: none"> <li>• Separation membranes Biofuel production</li> </ul>	<ul style="list-style-type: none"> <li>• Separation membranes Explosion-proof gas production for oil and gas fields</li> <li>• Urethane systems Mining machinery Gas pipelines</li> </ul>	<ul style="list-style-type: none"> <li>• Polyimide LiB<sup>2</sup> anode binder (automotive and consumer applications)</li> <li>• Separators LiC<sup>3</sup> separators for AI data centers</li> <li>• Cl chemicals (DMC &amp; EMC) ESS and other LiB<sup>2</sup> electrolytes</li> </ul>
<b>Information Electronics</b>		
<b>Digital devices</b>	<b>Semiconductor industry</b>	
<ul style="list-style-type: none"> <li>• Polyimide LCD &amp; OLED display materials</li> </ul>	<ul style="list-style-type: none"> <li>• Phenolic resin Semiconductor sealing material</li> <li>• Urethane systems Semiconductor manufacturing equipment components</li> </ul>	<ul style="list-style-type: none"> <li>• Semiconductor gases Etching gases</li> <li>• High-purity chemicals for semiconductors Cleaning solutions</li> </ul>
<b>Lifestyle and Health</b>		
<b>Lifestyle</b>		<b>Healthcare</b>
<ul style="list-style-type: none"> <li>• High-performance coatings Synthetic leather (furniture, apparel), water-based coatings (flooring, etc.)</li> <li>• Caprolactam Nylon fibers for apparel</li> </ul>	<ul style="list-style-type: none"> <li>• Nylon polymers Food packaging films</li> <li>• Ammonium sulfate Fertilizers</li> </ul>	<ul style="list-style-type: none"> <li>• Pharmaceuticals Pharmaceuticals</li> </ul>
<p><sup>*1</sup> • indicates products in the specialty businesses  <sup>*2</sup> Lithium-ion batteries   <sup>*3</sup> Lithium-ion capacitor</p>		