

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.

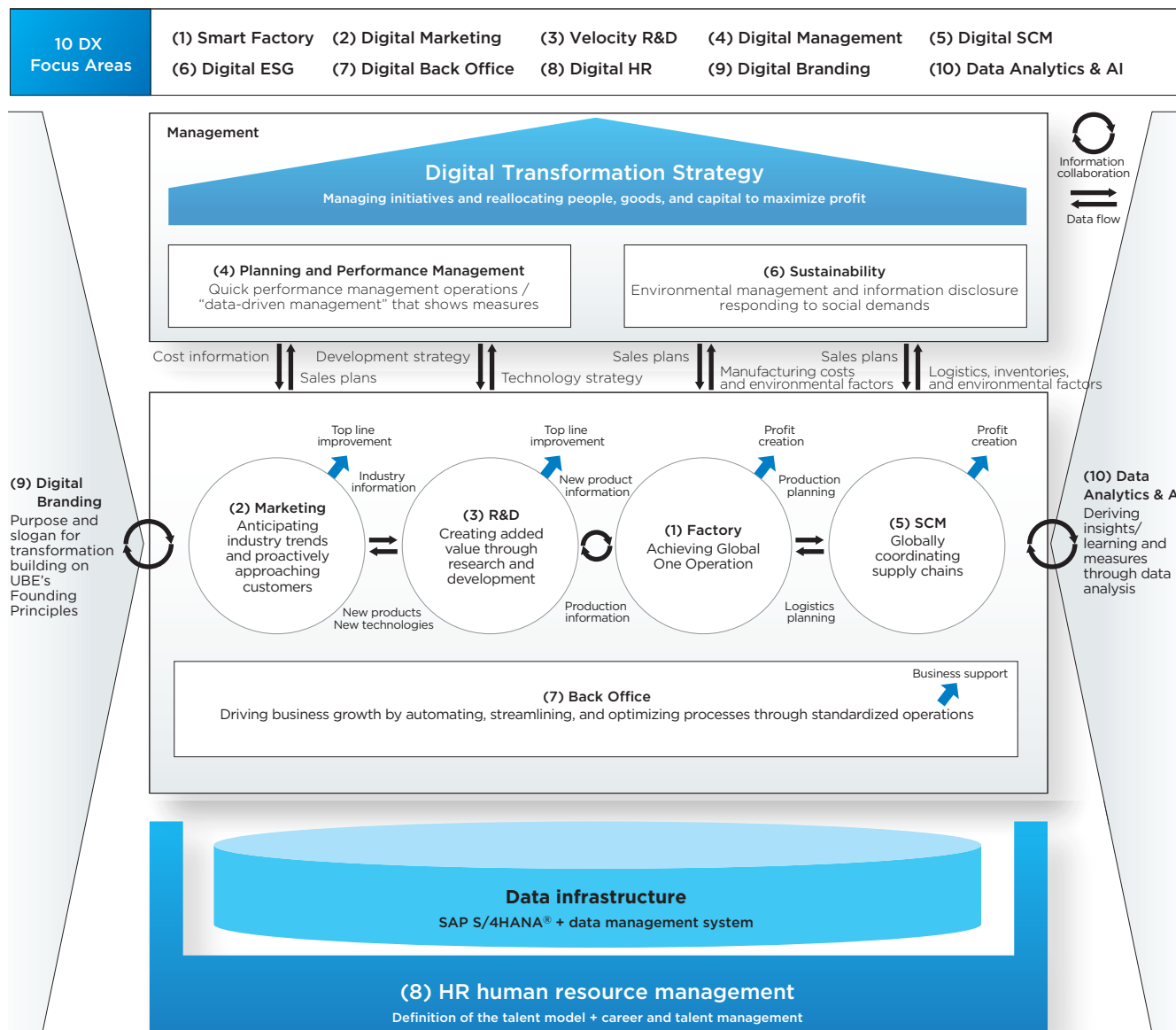
Supporting this approach is our data infrastructure, which we overhauled with the launch of the SAP S/4HANA® Cloud as our enterprise system from April 2024.

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.



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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

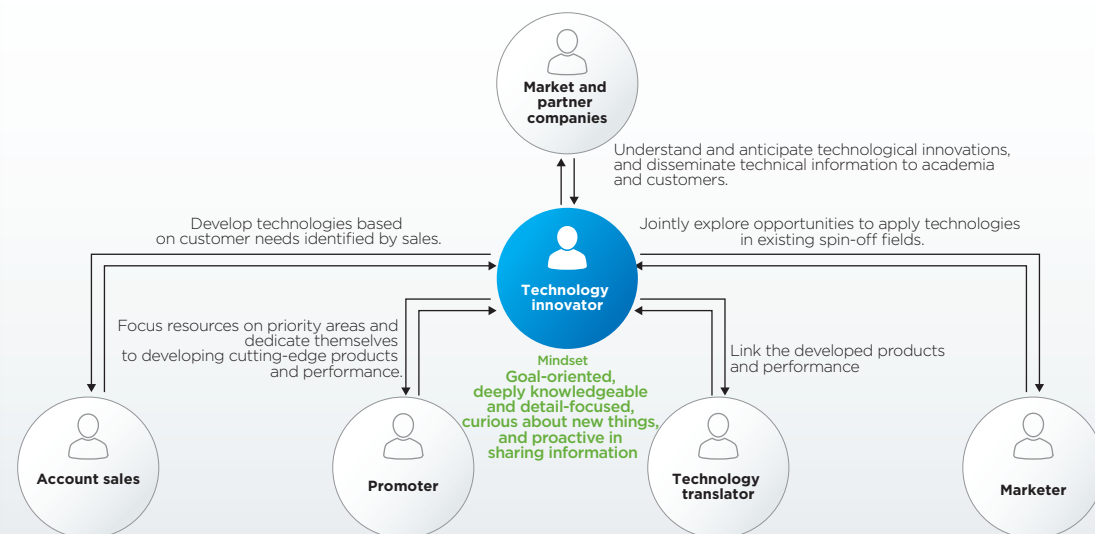
in fiscal 2026. Furthermore, in April 2025 we established the Talent Strategy Department to strengthen company-wide planning and execution of talent strategies. We are also introducing a talent management system to enhance talent development and career formation, aiming to advance strategic talent allocation 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
<ul style="list-style-type: none"> • Marketer • Account sales • Promoter • Technology translator • Technology innovator 	<ul style="list-style-type: none"> • Process innovator • Plant engineer • Manufacturing specialist 	<ul style="list-style-type: none"> • 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

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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,

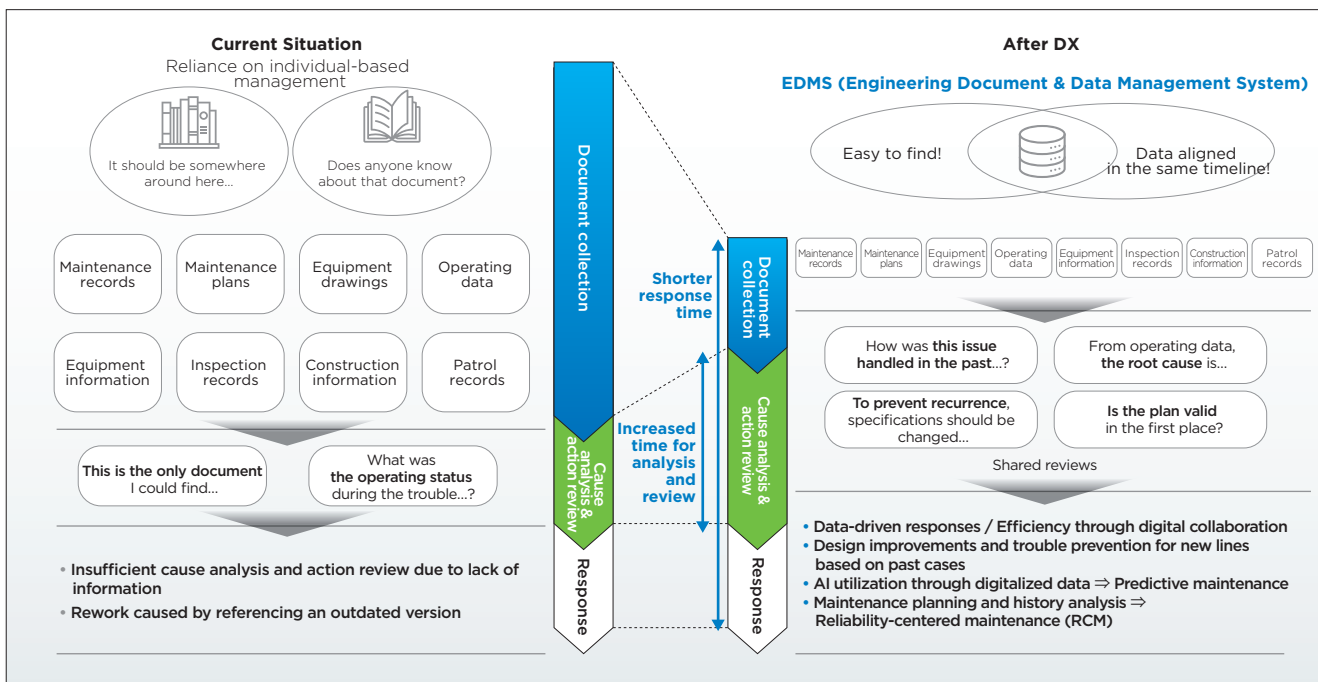
and overall productivity gains. From fiscal 2025, we have also started to build an EAM* system, which will not only improve operational efficiency but also advance and standardize processes across the board, leading to higher service levels.

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

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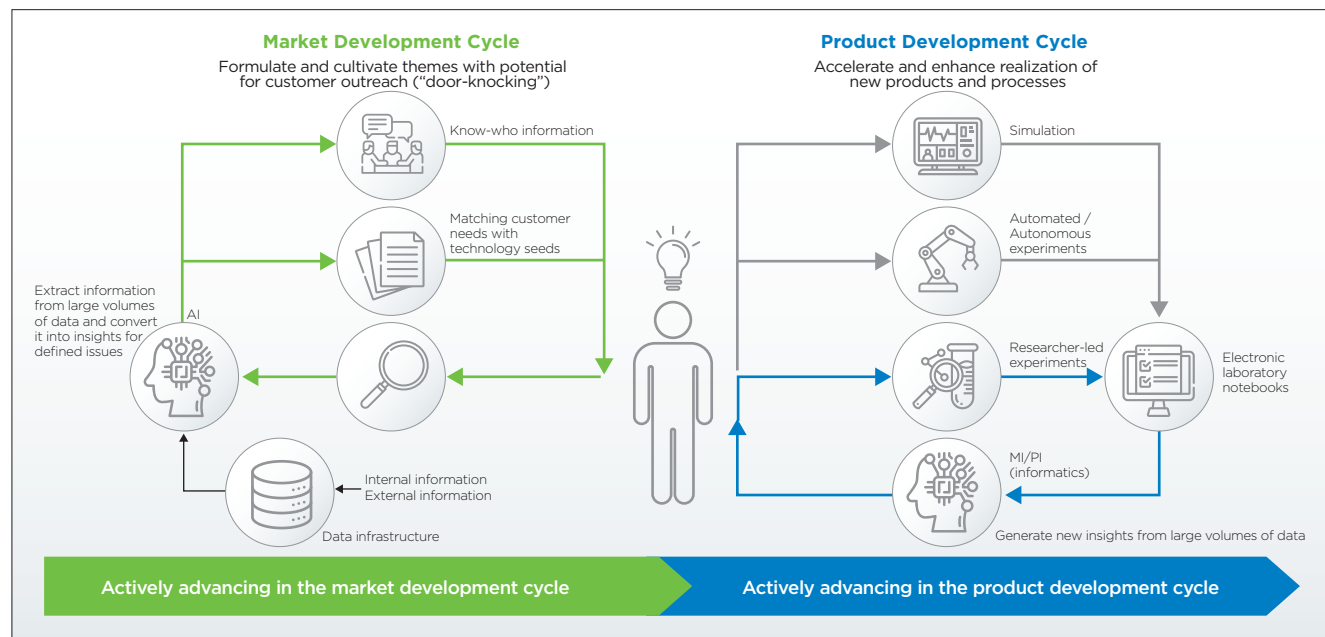
Case 3: Velocity R&D Domain Accelerating market and product development

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.

