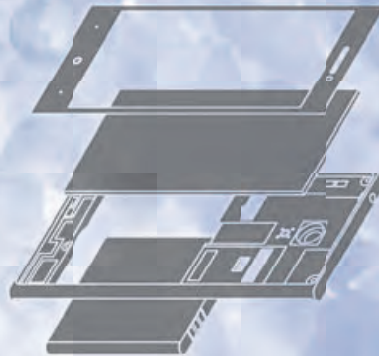
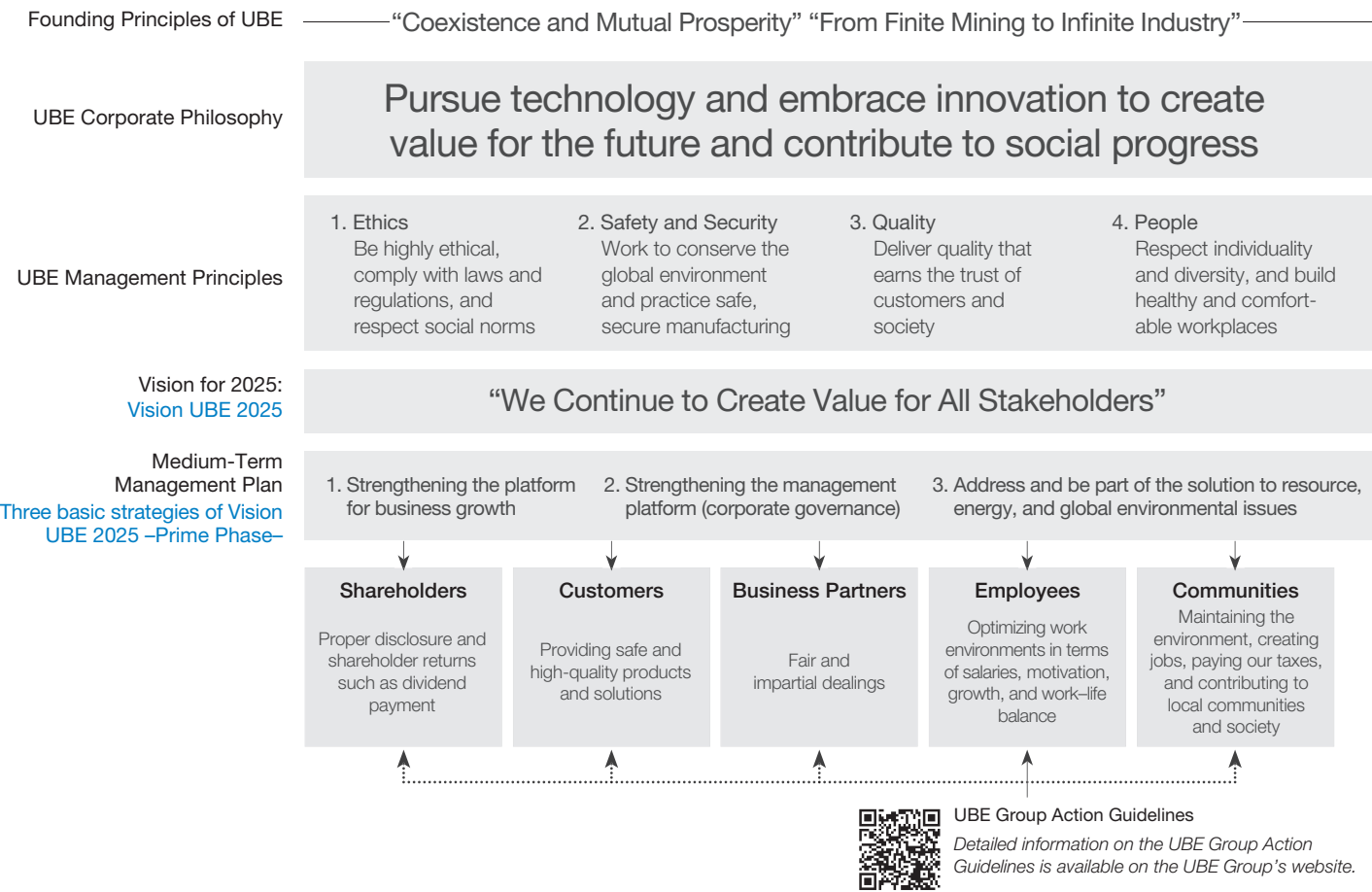


I n t e g r a t e d R e p o r t 2021

Year ended
March 31, 2021



Basic Approach to Sustainable Growth



UBE Group Policy for Achieving Carbon Neutrality by 2050

We will strive to **virtually eliminate greenhouse gas emissions** from our operations and look to help make the economy carbon neutral through product and technology R&D and commercial innovations that contribute to a better environment. We are focused on becoming a leading solutions provider for a decarbonized society.

Mid-Term Targets for 2050 Carbon Neutrality

By fiscal 2030

Greenhouse gases: **Cut emissions by 17%** from fiscal 2013 level
(20% reduction in the Chemicals segment from fiscal 2013 level)

Sales of environmentally friendly products and technologies (see note):

Account for at least 50% of consolidated net sales

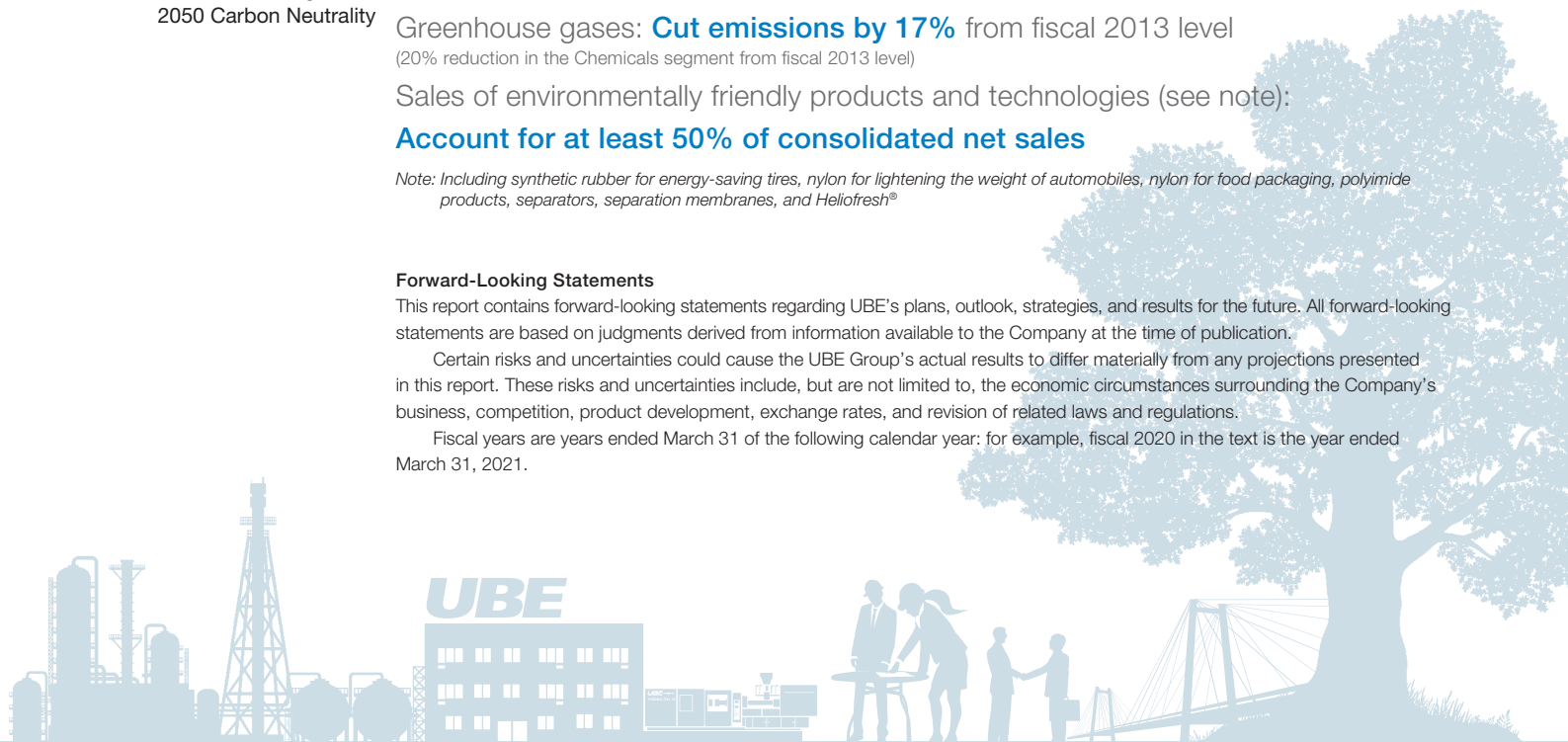
Note: Including synthetic rubber for energy-saving tires, nylon for lightening the weight of automobiles, nylon for food packaging, polyimide products, separators, separation membranes, and Heliofresh®

Forward-Looking Statements

This report contains forward-looking statements regarding UBE's plans, outlook, strategies, and results for the future. All forward-looking statements are based on judgments derived from information available to the Company at the time of publication.

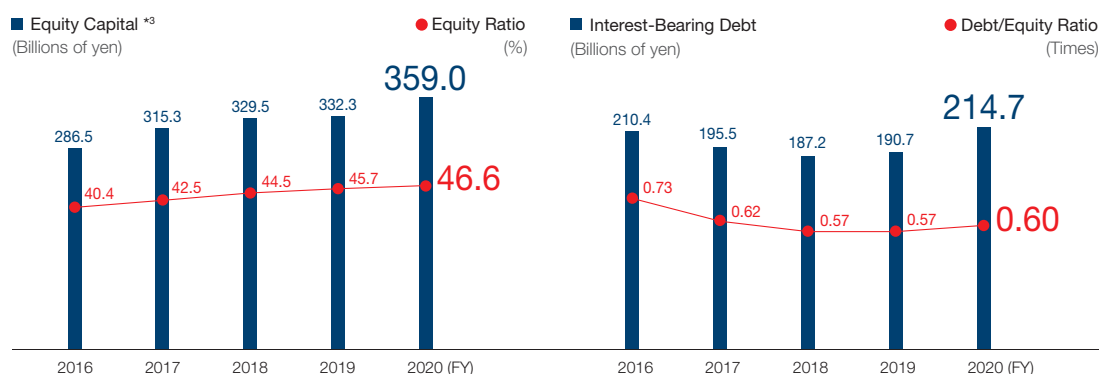
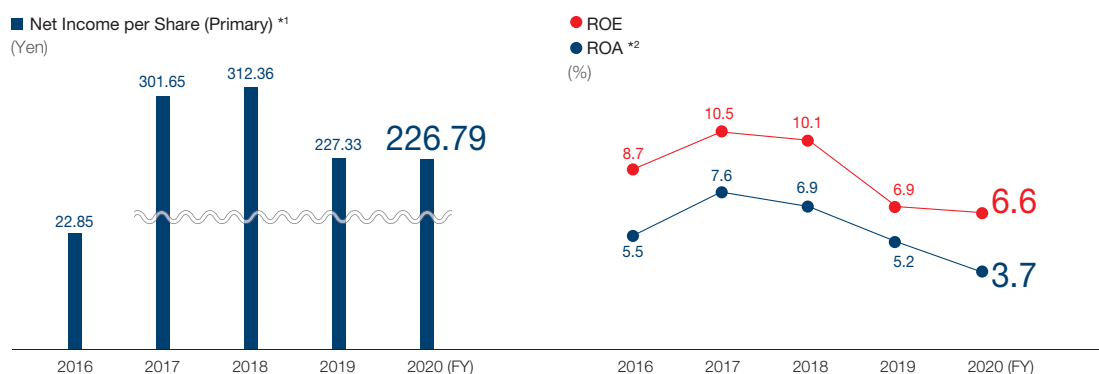
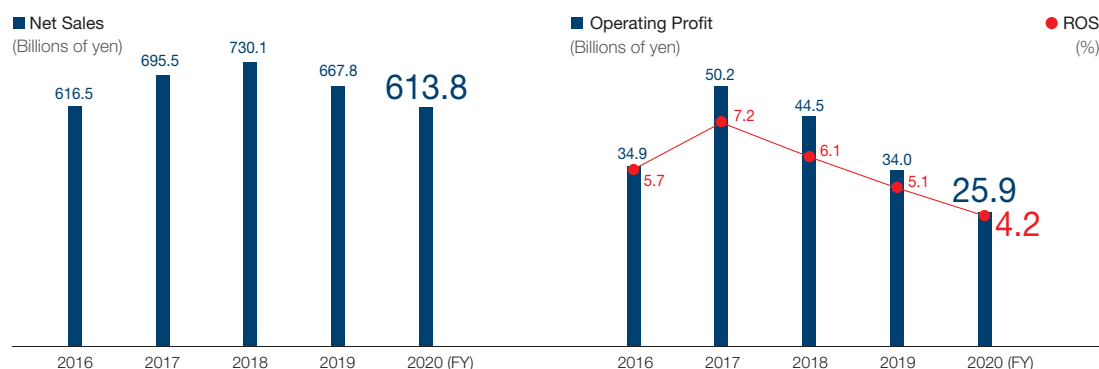
Certain risks and uncertainties could cause the UBE Group's actual results to differ materially from any projections presented in this report. These risks and uncertainties include, but are not limited to, the economic circumstances surrounding the Company's business, competition, product development, exchange rates, and revision of related laws and regulations.

Fiscal years are years ended March 31 of the following calendar year: for example, fiscal 2020 in the text is the year ended March 31, 2021.



Consolidated Financial and Non-Financial Highlights

Financial Highlights

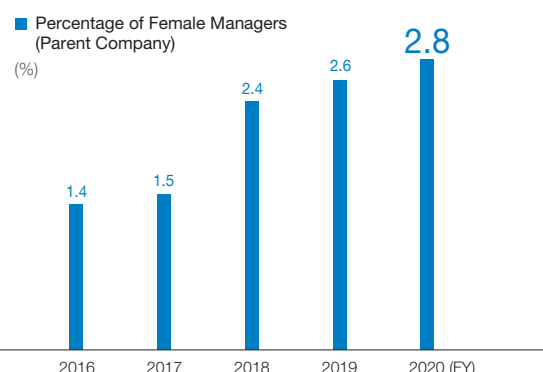
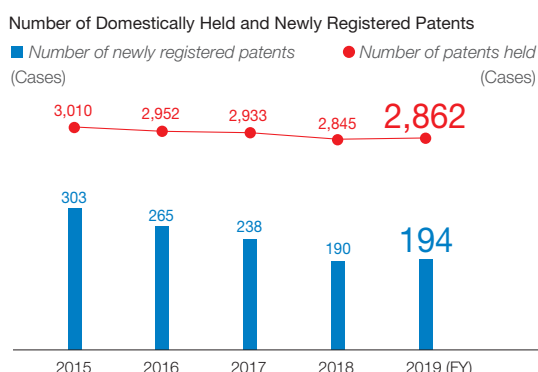
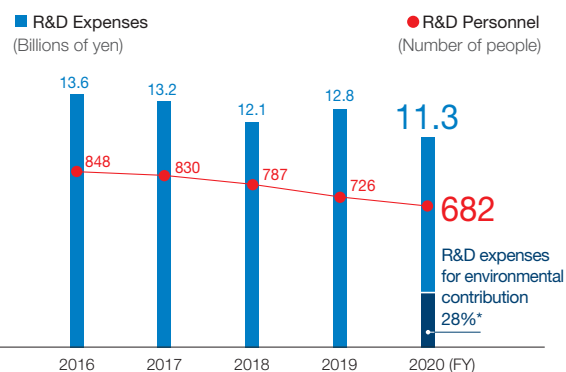
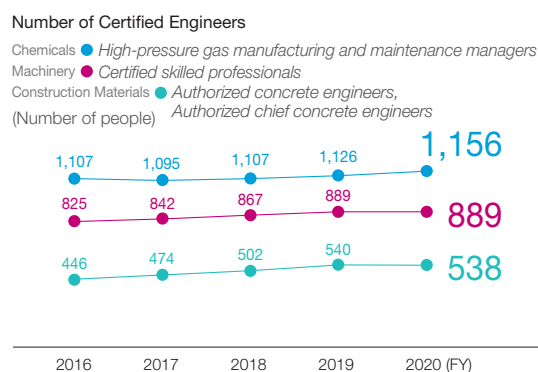
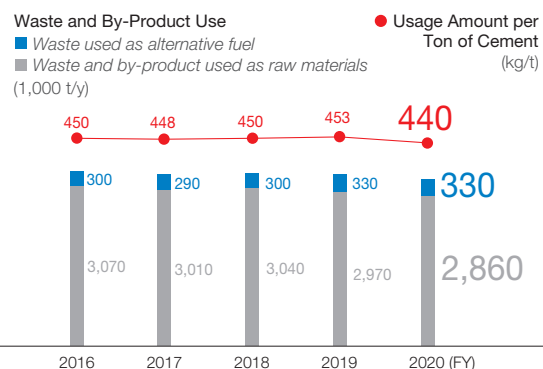
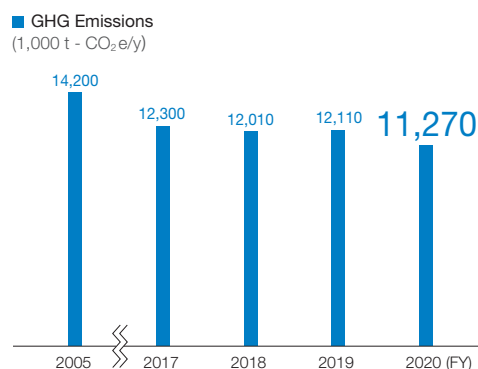


Notes: 1. The Company consolidated every 10 shares into one share, effective October 1, 2017.
 2. ROA = (Operating profit + Interest and dividend income + Share of profit of entities accounted for using equity method) / Average total assets
 3. Equity capital = Net assets – Share subscription rights – Non-controlling interests

Topics for Fiscal 2020

Year	Month	Category	Topic
2020	April	Corporate	Endorsed recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
		Chemicals	Announced decision to begin manufacturing and supplying intermediates for antiviral drug Avigan® Tablet
2020	July	R&D	New Energy and Industrial Technology Development Organization (NEDO) selected "Research and Development of an Accelerated Mineral Carbonation Process Utilizing Calcium in Industrial Wastes" as a commissioned R&D project
2020	August	R&D	NEDO commissioned Ube Industries and Nagoya University to develop advanced separation technology for composite plastics
		Machinery	Reorganized injection molding machine business, while the Nagoya Factory commenced operations
2020	September	R&D	NEDO accepted "Integrated Electrochemical Systems for Scalable CO ₂ Conversion to Chemical Feedstocks" for the Moonshot Research and Development Program
		R&D	NEDO commissioned "Development of Hybrid Recycle Process of Multilayer Plastic Film through Liquid Phase Reaction" as an advanced research project
		R&D	NEDO commissioned Ube Industries and partners to conduct an R&D project into Data-Driven Integrated Biomanufacturing Management Systems

Non-Financial Highlights



- Construction Materials Ube Industries and Mitsubishi Materials Corporation signed a definitive agreement to integrate cement and related businesses

- October**
- Chemicals Ube Industries absorbed Ube Ammonia Industry, Ltd.
 - Chemicals Ube Industries and Mitsubishi Chemical Corporation jointly established MU Ionic Solutions Corporation to engage in the electrolyte business, including for lithium-ion rechargeable batteries
 - Chemicals Signed an agreement with JGC Corporation to license the process to gasify and chemically recycle waste plastics
 - Chemicals Second polycarbonate diol (PCD) production facility started operations in Thailand

- December**
- Chemicals Decided to expand the plant for biphenyltetracarboxylic dianhydride (BPDA), a raw material for polyimide monomer

- 2021 March**
- Chemicals Ube Industries agreed with several companies to jointly develop supplies and build fueling stations for ammonia marine fuel in Japan
 - Chemicals New separator facility started operations



Masato Izumihara
President & Representative Director
CEO

Always Mindful of Our Social Value as We Improve Relentlessly in Response to Change

Our efforts amid the COVID-19 pandemic

Maintaining business continuity to serve society while implementing rigorous infection control measures to safeguard employees

We have done our utmost amid the difficulties of the COVID-19 pandemic to safeguard our employees while adopting teleworking and other new practices.

Over the past year, we have made business continuity a key mission, as stable product supplies are vital to society. For example, our chemicals business has kept up its efforts in manufacturing basic chemicals and plastics for food packaging films used in everyday living. In the construction materials business, we have continued to manufacture cement while treating a range of household waste, as such efforts are essential. We accepted a government request to produce intermediates for Avigan®, an antiviral drug offering COVID-19 treatment benefits.

We also recognize that safe manufacturing is vital for employees and the communities in which our plants operate. We have ensured occupational safety by educating and training employees about this while enhancing facilities and extensively producing rules and manuals.

While it will take some time to eliminate the impact of the pandemic, I believe we have positioned ourselves to function well over the past year, with rigorous infection control measures in place.

Vision UBE 2025 –Prime Phase– progress highlights

Targeting pre-pandemic earnings levels through chemicals business growth

Proactive Measures that Looked Ahead to the Recovery from the Pandemic Helped Us to Capitalize on Recovery Trend

While the pandemic affected us faster and more severely than we initially expected in fiscal 2020, the economy bottomed out in summer 2020, recovering remarkably from fall. Our second-half performance exceeded that of a year earlier as we regained pre-pandemic levels. Our full-year performance was therefore basically in keeping with initial targets, with internal efforts contributing to that result.

Our first move was to establish a structure to swiftly tackle dramatic changes in the business climate. To cite an example, products for the automotive industry change fast when demand declines and turns around. We can't do much about overall demand shrinking, so we set about building a structure that empowers us to capitalize on demand recoveries. Another effort has been to lower fixed costs. That's something we can do internally, and we have been thorough. I would like to express my great appreciation for employees doing so much to adapt to these initiatives while exploring new work approaches amid the huge demand changes we have faced and for all those completing major repairs in the Ube area without a single COVID-19 infection case.

Notwithstanding the pandemic's impact in fiscal 2020, we decided to pay cash dividends

		Medium-term management plan Vision UBE 2025 –Prime Phase–		
		FY2020 (Results)	FY2021 Targets	Achievement rate
Economic Value	Net sales (Billions of yen)	613.8	¥770.0	80%
	Operating profit (Billions of yen)	25.9	55.0	47%
	Ordinary profit (Billions of yen)	23.2	58.0	40%
	Profit attributable to owners of parent (Billions of yen)	22.9	35.0	66%
	Return on sales (ROS)	4.2%	7%	60%
	Return on equity (ROE)	6.6%	10%	66%
	Total return ratio*	83%	more than 30%	—
Environmental and Social Value	Greenhouse gas (GHG) emissions (1,000 t - CO ₂ e/y)	11,270		
	Percentage of female managers (Parent company)	2.8%		
	R&D expenses (Billions of yen)	11.3		

* Total return ratio = (Cash dividends + Share repurchase) / Profit attributable to owners of parent

of ¥90 per share. This is unchanged from the previous fiscal year, and reflects a comprehensive assessment of our shareholder return policy and earnings level. We have additionally implemented a ¥10 billion share repurchase program. We will continue generating stable shareholder returns in keeping with earnings growth.

Leveraging ICT and Digital Transformation

Key challenges that the UBE Group is tackling under its medium-term management plan are to harness information and communications technologies (ICT) and develop related human resources. In other words, we seek to digitize our business processes. We are incorporating digital technology in operations under the Smart Factory, Velocity R&D, Digital Marketing, and Digital Management themes.

On the Smart Factory front, we are using sensor technology to stabilize production and predict abnormalities while employing artificial intelligence (AI)-based data to optimize production. For Velocity R&D, we are using digital technology to accelerate and streamline research and development. For Digital Marketing, we are using digital technology marketing while enhancing back-office efficiency. With Digital Management, we are using digital technology to swiftly identify operational management information. These efforts have admittedly yet to transform our business model. We will nonetheless keep using digital technology to become more efficient in all sorts of ways.

Policies for Fiscal 2021

Although significant aspects of the business outlook remain uncertain, we believe a recovery will continue throughout the year. Economic stimulus measures in various countries and increasing inoculations underscore that conviction. We will seize new opportunities and pursue an earnings level in fiscal 2021 that exceeds that before the pandemic. The chemicals business, which encompasses synthetic rubber, engineering plastics and fine chemicals, specialty products, and pharmaceuticals, will be the principal recovery driver.

While volumes in the synthetic rubber business have recovered considerably, competition is intensifying. We will therefore spin operations off to run them more dynamically and step up profitability management while making businesses more specialized. Also, we plan to start manufacturing UBEPOL VCR, high-value-added-grade polybutadiene rubber at a Group company facility in Malaysia.

In view of robust automotive sector demand for nylon composites, we will strengthen our engineering plastics and fine chemicals business worldwide by drawing on compounding companies that we acquired in Europe and the United States. We look to optimize our production structure by transferring manufacturing for some nylon grades from Japan to Thailand. We will swiftly explore U.S. production of dimethyl carbonate (DMC) and some other fine chemical products, as the pandemic somewhat delayed planning in that respect.

In specialty products, demand is solid for polyimide film and varnish, used for the production of organic electroluminescent panels. Our fiscal 2021 goal is to expand the polyimide business across the polyimide chain. In separation membranes, we will expand our business in biogas applications and other environmental areas.

In pharmaceuticals, fifth pharmaceutical plant was completed in May 2021 in the Ube district. This facility will focus on manufacturing high-potency active pharmaceutical ingredients (APIs) in small lots.

It is also worth noting that plans to integrate our cement business and other businesses with those of Mitsubishi Materials Corporation are progressing as envisaged. Even if domestic demand for cement fails to recover sufficiently, we want to make this integration successful so that we can generate profits and cash flow as well as realize new growth strategies.

Goals of the Next Medium-Term Management Plan

Fiscal 2021 is the final year of our plan, and will be important for formulating the successor initiative. The current plan will unfortunately fall considerably short of its numerical goals owing to dramatic changes in the business climate. We have nevertheless taken steps necessary for growth.

A key assumption for the next medium-term management plan is that society as a whole will prize sustainability more, notably in terms of a greater awareness of environmental issues, efforts to foster human resources diversity and better respect human rights, and digitization initiatives. The UBE Group has already committed itself to sustainability management, notably by signing the United Nations Global Compact. As society as a whole experiences significant changes, it will become important for us to determine the business structure and products we should develop and supply and how we should function as a corporate citizen. I believe these factors will shape our next medium-term management plan. So, in that sense, endeavors under our current plan will remain the central focus of its successor, and include environmental initiatives, efforts to enhance governance, and measures to respect human rights and ensure diversity.

The future society we envisage is already within our sight. The main priority of our next medium-term management plan will be to



The main priority of our next medium-term management plan will be to tackle the future we see now rather than the completely unknown.

tackle the future we see now rather than the completely unknown.

ESG at UBE

Engaging in business with greater awareness of environmental issues and contributing to a circular economy

Endeavoring to Become Carbon Neutral by 2050 and Helping Realize a Circular Economy

We responded to the Japanese government's commitment to making the nation carbon neutral by 2050 by striving to reach that target by that year.

It will accordingly be important to conserve energy and tap renewables and improve production processes. We will also need to adopt a

business structure with less of an environmental impact and develop technologies to capture and immobilize carbon dioxide (CO₂) and use it in a cyclical manner.

We seek to provide a range of solutions to contribute to these efforts in any way possible, economic viability being the key to popularization. We will accordingly take various approaches, including open innovation and collaborating with other entities.

Tackling environmental issues and efforts to drive our sustainable growth are inextricably linked. We committed to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in April 2020. One distinctive edge is that we can provide various carbon-neutral solutions. We will disseminate our commitment to environmental issues and a circular economy while operating with a greater awareness of them.

Launching Training Program for Female Managers

We believe that human resources diversity directly enhances corporate competitiveness. We are thus endeavoring to increase gender and racial diversity while securing more people with disabilities and elderly individuals.

In recent years, we have focused particularly on hiring more women and tapping their talents. Females nonetheless account for small proportions of our workforce and managerial ranks. We therefore launched a program in fiscal 2021 to cultivate female managers. Since the number of female employees is small, we aim to establish role models by encouraging each of those individuals to play active roles in our organization.

Message to stakeholders

Improving internally while remaining constantly aware of our social value

We started out as a coal mining company more than 120 years ago. Since then, we have constantly changed our business structure to respond to changes in the business climate.

One of our principles thereafter was to develop a range of businesses to ensure our survival even if coal were to run out. A year from now, we will integrate our cement business with that of Mitsubishi Materials. Our self-improvement endeavors will not stop there. We must accelerate our growth in the chemicals business while constantly reviewing our strategies in that area. In machinery, we must consider the right course for growth in keeping with the nature of that business. There are no set ways to undertake business structure reforms. The main thing is for each business to pursue independent growth.

It will be important for us to work out how we can deliver the value that society demands and leverage our strengths to that end. We are constantly conscious of our role as a corporate citizen and are always exploring ways to deliver environmental and social solutions and value while considering how best to do business.

Finally, it is worth noting that we decided to change our trade name to UBE Corporation on April 1, 2022. The goal is to turn a new page in our history as an organization that helps resolve environmental issues, contributes to better living and health, and helps create a more affluent economy by developing businesses globally, centered on chemistry. We look forward to the ongoing support and encouragement of our stakeholders in our endeavors.

July 2021



Masato Izumihara
President & Representative Director
CEO

Financial Strategy

Maintaining Sound Financial Position and Generating Solid Free Cash Flow Despite Adverse Business Climate

In fiscal 2020, demand plunged in the chemicals and machinery businesses, particularly during the first half, owing to the impact of the COVID-19 pandemic. In spite of the recovery in the second half, both revenue and earnings decreased compared with fiscal 2019. Return on sales (ROS) and return on equity (ROE), which are key performance indicators (KPIs), were both down at just 4.2% and 6.6%, respectively. The decrease in ROE was despite a reversal of deferred tax liabilities and other favorable factors.

In fiscal 2021, we look for operating profit to increase to ¥37 billion, with ordinary profit reaching ¥34.5 billion. The prime contributor would be the Chemicals segment, with the prospect for a recovery from the pandemic. These figures nonetheless would be below the ¥55 billion in operating profit and ¥58 billion in ordinary profit we targeted for the final year of our medium-term management plan. We project ROS of 6.5% and ROE of 5.8%. These numbers are also short of our targets of 7.0% and 10.0%, respectively, for fiscal 2021. We will need to do more to enhance profitability.

On the upside, we have maintained a sound financial position. Our debt/equity ratio was down only slightly in fiscal 2020, at 0.60 times. At the same time, the equity ratio improved to 46.6%. We strove to overcome a tough business climate by reducing working capital, including inventories. We thereby generated an operating cash flow of ¥66 billion, not far off the level of a year earlier. We reviewed our capital expenditures for upgrade projects and secured more free cash flow than initially planned.

Financial Strategies for Medium-Term Management Plan (Fiscal 2019 to Fiscal 2021) Focusing on Growth Investments

Our basic priority under this plan is to strengthen our business growth underpinnings. We are emphasizing efforts to improve earnings stability

and drive growth in the chemicals business. We seek to allocate significant funds for growth investments to generate future cash flows in keeping with a policy of more swiftly expanding specialty businesses in high-value-added areas that draw on our strengths, including environmentally friendly products and technologies (please see the figure on the left for fund allocations).

In making investment decisions, we factor in equity costs and the weighted average cost of capital. We base decisions based on internal rates of return, net present value, and other figures during payback periods, as well as on business strategies and other qualitative factors. We have set internal carbon costs and incorporate environmental cost perspectives in our investment decisions.

Aiming to Pay ¥90 in Cash Dividends per Share and Purchase ¥10 Billion in Treasury Stock

The basic stance of our shareholder return policy is to deliver stable and sustainable dividends. We target a dividend on equity (DOE) ratio of at least 2.5%. We also aim to deliver a consolidated total return ratio of at least 30% under our medium-term management plan.

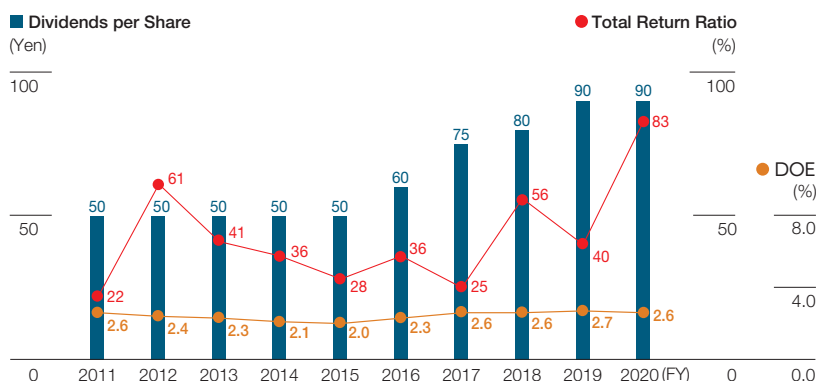
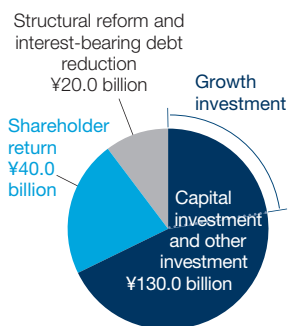
For fiscal 2020, we decided to pay interim cash dividends of ¥45 per share and an identical year-end amount, for an annual total of ¥90 per share. This is unchanged from the previous fiscal year. The DOE ratio would thus be 2.6%, with a total return ratio of 40%. Also, we are in the process of repurchasing up to ¥10 billion in treasury stock.

In fiscal 2021, we expect to pay annual cash dividends of ¥90 per share (from interim and year-end payments of ¥45 each). The total return ratio would therefore be 56% during our medium-term management plan period.

We will continue to maintain a sound financial position, balancing growth investments and expanding shareholder returns.

Using around ¥190 billion in operating cash flow generated across the three years of the medium-term management plan

(total for fiscal 2019 to 2021)



Note: The Company consolidated every 10 shares into one share, effective October 1, 2017. Stock prices are adjusted for consolidation.

Masayuki Fujii

Director, Managing Executive Officer, CFO



Vision UBE 2025 –Prime Phase–

Although our performance has been recovering from the impact of COVID-19, our results will be significantly less than sought for the final year of our medium-term management plan. We initially targeted operating profit of ¥55 billion for fiscal 2021, but we now project just ¥37 billion. We also expect key indicators will not reach our targets. We are nonetheless making headway with decisive steps in keeping with our three basic strategies for realizing the 2025 Vision.



Medium-Term Management Plan
Vision UBE 2025 –Prime Phase–



Please see the Medium-Term Management Plan section of the UBE Group website for details on Vision UBE 2025 –Prime Phase–.

<https://www.ube-ind.co.jp/ube/en/corporate/management/strategy.html>

Progress and Plan		Billions of yen				
		Results		Plan		Initial plan
		FY2019	FY2020	FY2021		
		<i>Before adopting revenue recognition accounting standards, etc.</i>				
Key Figures	Net sales	¥667.8	¥613.8	¥570.0	¥650.0	¥770.0
	Operating profit	34.0	25.9	37.0		55.0
	Ordinary profit	35.7	23.2	34.5		58.0
	Profit attributable to owners of parent	22.9	22.9	21.0		35.0
Key Indicators	Return on sales (ROS)	5.1%	4.2%	6.5%	5.7%	7%
	Return on equity (ROE)	6.9%	6.6%	5.8%		10%

Progress and Plan by Segment

Net Sales	Billions of yen				
	Results		Plan		Initial plan
	FY2019	FY2020	FY2021		
<i>Before adopting revenue recognition accounting standards, etc.</i>					
Chemicals	¥286.0	¥259.3	¥280.0	¥290.0	¥350.0
Construction Materials	303.0	282.8	200.0	270.0	330.0
Machinery	90.7	78.7	95.0	95.0	105.0
Others	4.5	3.1	3.0	3.0	5.0
Adjustment*	(16.5)	(10.1)	(8.0)	(8.0)	(20.0)
Total	667.8	613.8	570.0	650.0	770.0

Operating Profit	Billions of yen			
	Results		Plan	
	FY2019	FY2020	FY2021	
Chemicals	¥14.5	¥ 8.1	¥20.5	¥32.0
Construction Materials	14.5	14.7	11.5	16.5
Machinery	4.9	2.8	5.0	7.0
Others	0.5	0.4	0.5	0.5
Adjustment*	(0.6)	(0.3)	(0.5)	(1.0)
Total	34.0	25.9	37.0	55.0

* Includes elimination of inter-segment transactions

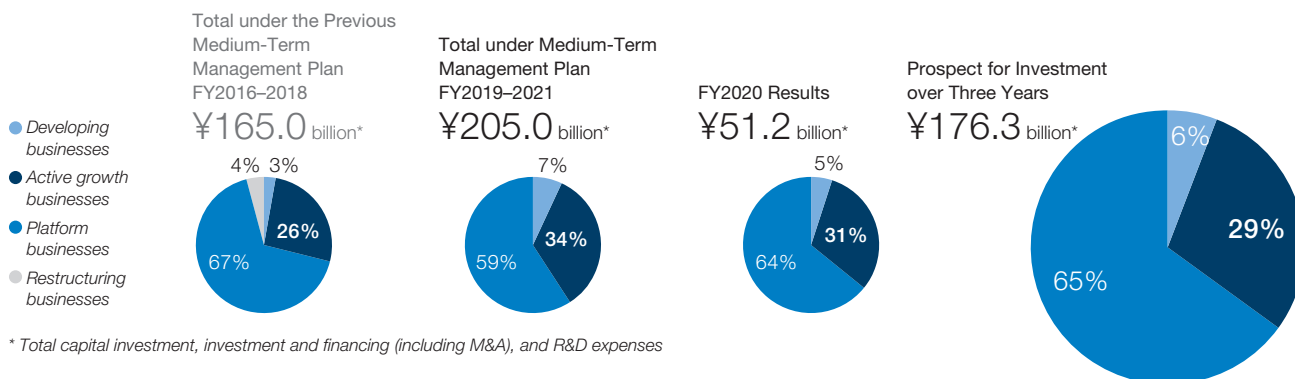
Business Portfolio

● Developing businesses	Tyranno Fiber®, lithium titanium oxide (LTO)
● Active growth businesses	Nylon, fine chemicals, high-performance coatings, synthetic rubber, polyimides, separation membranes, separators Magnesia and calcia, biomass fuel, resource recycling
● Platform businesses	Caprolactam, industrial chemicals, pharmaceuticals Cement and ready-mixed concrete, energy Molding machines, industrial machines, steel products

Business Resource Allocation Plan by Portfolio Segmentation and Progress

We expect to invest ¥176.3 billion over three years, compared with a planned ¥205.0 billion, in capital expenditures, investment and loans, and R&D.

Markets have expanded slower than expected owing to the pandemic and other factors. We have accordingly postponed or terminated spending, especially in active growth businesses. Consequently, the total investment amount has not reached the initial plan. We have nonetheless upheld our basic policy of investing primarily in such areas. Under our previous medium-term management plan, active growth businesses accounted for 26% of investments. The projected figure under our current plan is higher, at 29%.



UBE Group's Growth Strategies

Chemicals Growth

In April 2022, the cement business will become an equity-method affiliate → We target further growth in the chemicals business

Growth Approach

Build a resilient business portfolio offering growth potential by shifting to a specialty chemicals business structure that consumes less energy and is less prone to fluctuations

Please see page 20 for details.

Cement Business Integration

In April 2022, we will integrate all construction materials businesses with the cement business of Mitsubishi Materials Corporation → The new entity will be Japan's second-largest cement manufacturer and supplier

Post-Integration Growth Strategy

Attain sustainable expansion by contributing to social infrastructure development and a circular economy by intensively investing cash flows from the domestic cement business in growth fields*

* Overseas cement and ready-mixed concrete businesses and high-performance inorganic materials made from high-quality limestone

Please see pages 18-19 for details.

Key Measures in Fiscal 2020

● Chemicals ● Construction Materials ● Machinery

Alliances and Acquisitions

- Completed transfer of chemical equipment business from Hitachi Plant Mechanics, Co., Ltd.
- Signed definitive agreement with Mitsubishi Materials Corporation to integrate cement and other businesses
- Formed joint venture with Mitsubishi Chemical Corporation to establish MU Ionic Solutions Corporation to offer electrolytes for lithium-ion secondary batteries and other applications

Capacity Upgrades

- Established stage II of polycarbonate diol (PCD) facilities in Thailand
- Boosted synthetic rubber debottlenecking production in Thailand
- Began construction to raise production of biphenyltetracarboxylic dianhydride (BPDA), a raw material for polyimide, in Ube
- Inaugurated separator facility at the Sakai Factory

Reorganizations

- Absorbed Ube Ammonia Industry, Ltd.
- Fully integrated injection molding machine business company acquired from Mitsubishi Heavy Industries, Ltd. Nagoya Factory started its operation.

Building Value to Materialize Sustainable Growth
Key Risks and Opportunities

In pursuing business sustainability and progress, the UBE Group acknowledges threats to the environment’s sustainability and the inherent risks of individual businesses, and recognizes the need to act. It is in keeping with this stance that the Group is extensively managing risks and undertaking initiatives that can generate new revenue opportunities.

Risk Management Policy and System

The UBE Group implements suitable risk countermeasures after assessing probabilities and impacts that might prevent it from reaching its business objectives in every decision-making process, including in gatherings of the Board of Directors and the Group Strategic Management Meeting. We maintain Growth, Environment, Society, and Governance categories for risks that could particularly affect operations. As a generator of greenhouse gas (GHG) emissions, the greatest risk we present is environmental. We accordingly endeavor to cut such emissions and expand businesses that help reduce environmental impact in a drive to lower risks while turning them into opportunities.

We established a Companywide integrated management system to assess risks and gather information on probabilities and impacts. We also set up the Risk Management Department to centrally oversee related information, and maintain internal systems to manage the Group’s risks.

<https://www.ube-ind.co.jp/ube/en/sustainability/risk-management/risk-management.html>

Risk Management



Risks with Especially Significant Operational Impacts, Countermeasures, and Opportunities

Category	Risk Items	Risk Overview Examples
Growth	Deterioration of chemicals business results	<ul style="list-style-type: none"> ● If supplies increase owing to capacity hikes at other companies and there is a dramatic change in prices of key raw materials owing to demand balance changes, a smaller price spread between products and raw materials ● It becomes impossible to secure the required raw materials owing to supplier accidents or other occurrences ● It becomes impossible to respond in a timely manner to customer demands for products for which generational changes are swift, causing sales volumes to decline and prices to drop amid intensified competition ● A pandemic causing production to shut down or business activities to halt would create large financial and opportunity losses
	R&D	<ul style="list-style-type: none"> ● R&D themes do not proceed as planned, significantly delaying new product development and leading to a cessation in development ● Approvals for new drugs in the pharmaceutical business are postponed or revoked
	Environmental issues	<ul style="list-style-type: none"> ● Costs increase significantly owing to the introduction of a carbon tax, as the Company has expanded its business while using coal effectively ● If the Company is deemed a laggard in addressing environmental issues, sales could languish, with corporate value being adversely affected
Environment	Major natural disasters	<ul style="list-style-type: none"> ● Natural disasters that are larger than expected cause severe damage to domestic and overseas plants, causing production to halt at manufacturing sites and sales units to become inactive
	Major accidents (Explosions, fires, and leaks)	<ul style="list-style-type: none"> ● Large explosions, fires, and leaks occur as a result of facilities accidents or human error at plants that are heavy users of such resources as high-pressure gas and hazardous substances. Such accidents significantly affect the lives, property, and environments of employees and residents, resulting in accident response and recovery spending, opportunity costs, and compensation to customers and residents
Society	Difficulties in securing human resources	<ul style="list-style-type: none"> ● It becomes difficult to secure talented people to improve corporate value ● Vital people leave the Company, including those with experience and expertise
	Product quality and liability	<ul style="list-style-type: none"> ● Inappropriately inspected products are shipped, leading to damage claims and other significant costs
Governance	Information security	<ul style="list-style-type: none"> ● A system shutdown from a cyberattack or other unforeseen event or critical information leaks, destruction, or other damage causing production to halt, leading to massive compensation claims
	Major compliance violations	<ul style="list-style-type: none"> ● Business activities languish because compliance violations damage credibility ● The Company or its employees violate laws and regulations, making it subject to legal sanctions and constraints on business activities while undermining its social reputation

Please see pages 17–20 of the 115th Securities Report for information regarding other risks and details (in Japanese only)



Countermeasures

Opportunities

Materiality >>>

- Apply a pricing formula regime to reflect changing raw materials costs in prices
- Secure sufficient raw materials inventories
- Extensively cut costs and accelerate development
- Accelerate growth of the specialty products business by concentrating operating resources
- Establish a Crisis Response Committee to prepare response manuals and periodically review departmental and Group company business continuity planning and to respond flexibly to circumstances

- Implement reforms to create a business structure in which carbon productivity is high and realize stable growth
- Enhance market competitiveness by staying a step ahead of rivals on the development front

Expanding the chemicals business, centered on active growth businesses >>>



- Concentrate operating resources based on business portfolio, swiftly materializing R&D results and endeavoring to enhance development precision

- Focus on reinforcing active growth businesses and expanding developing businesses to launch highly competitive new products



- Determine management priorities regarding environmental issues, focusing on reducing GHG emissions while developing and popularizing products and technologies that help lower environmental impact and foster a carbon-neutral economy
- Support the recommendations of the TCFD (Please see pages 15, 28–29, and 30–31 for details.)
- Announce policy for achieving carbon neutrality by 2050 and establish UBE Group Medium-Term Targets to reach those objectives by fiscal 2030
- Suitably highlight waste treatment track record from circular economy perspectives

- Extensively conserve energy and improve processes
- Maximize the use of CO₂-free energy
- Implement reforms to create a business structure in which carbon productivity is high and realize stable growth
- Pursue R&D and commercialization for CO₂ usage and other technologies

Tackling environmental issues >>>

- Prepare disaster and other response manuals, undertake planned renovations and reinforcements at manufacturing and other facilities while conducting regular disaster drills
- Leverage risk management systems to identify specific risks and implement countermeasures
- Formulate business continuity plans (BCPs), regularly reviewing them and conducting drills

- Swift recoveries in the event of wide-ranging disasters will build market trust

- Make safety a pivotal shared value for the UBE Group
- Rigorously comply with related laws and ordinances
- Regularly inspect, maintain, and repair facilities
- Secure educated and experienced employees, prepare management manuals, and conduct regular disaster drills and environmental safety audits



- Formulate management policies that require respect for individuality and diversity and foster comfortable work environments and provide rewarding jobs
- Enhance work-life balance, improve wages and other terms, and shorten working hours
- Create work environments that are conducive to female employees

- Attract and retain talented people
- Create new businesses and products that embrace diverse perspectives

Hiring and cultivating people who can drive growth and innovation >>>

- Manage processes, maintain and upgrade facilities, and install suitable measuring equipment
- Create work manuals and educate employees
- Implement extensive measures to prevent inappropriate quality inspection practices that came to light in 2018 from recurring
 - Strengthen the Board of Directors' governance
 - Ensure all employees are quality-conscious
 - Continue to educate executives and all members of the Group
 - Strengthen internal quality management controls
 - Bolster quality underpinnings by deploying business resources

- Cultivate a corporate culture that rebuilds and maintains credibility and consistently complies with laws and ordinances, thereby solidifying growth foundations

Strengthening business foundations >>>

- Information Security Committee was established to step up efforts in the following respects:
 - Formulate and disseminate related regulations and develop technical measures to detect and prevent unauthorized intrusions
 - Provide security education and training for executives and employees
- Establish Computer Security Incident Response Team to minimize damage from security incidents

- Create and maintain an updated list of key domestic laws and regulations and share information on all laws and regulatory revisions and abolitions
- Identify and formulate measures for laws and regulatory risks using risk management systems
- Provide regular e-learning and training programs for all employees

UBE

Materiality

Materiality within the UBE Group

Materiality The UBE Group's Measures SDGs Items to Which We Contribute

	<p>Growth</p> <p>Expanding the chemicals business, centered on active growth businesses*</p>	<p>We are working on structural reform to drive the expansion of active growth businesses and increase their weight in our business portfolio in an effort to build an operating structure that generates stable growth regardless of economic trends and improve profit margins. Active growth businesses encompass many operations that generate minimal GHG emissions, such as specialty chemicals. We look to lower emissions rates by lifting the contributions to sales of such businesses.</p> <p><i>* Nylon, fine chemicals, high-performance coatings, synthetic rubber, polyimide, separation membranes, separators, magnesia and calcia, biomass fuel, and resource recycling</i></p> <p><i>Please see pages 16–17, 20–21, 28–29, and 34–37 for details.</i></p>	
	<p>Environment</p> <p>Tackling environmental issues</p>	<p>The key environmental challenges for the UBE Group are to help resolve global warming, address marine plastic waste, safeguard biodiversity, and conserve water resources. We consider it particularly important to deal with global warming. As well as lowering GHG emissions from our plants, we will help decarbonize the economy through ongoing efforts to cut these emissions across our supply chain.</p> <p><i>Please see pages 15–17, 21, 28–31, 42–45, and 62–63 for details.</i></p>	
	<p>Society</p> <p>Hiring and cultivating people who can drive growth and innovation</p>	<p>People will be the engine of the UBE Group's growth over the medium and long terms. We will hire more women and foreign nationals while educating employees to cultivate people with diverse values and perspectives, thereby enabling us to respond swiftly to changes in the business climate and pursue sustainable growth.</p> <p><i>Please see pages 53–56 for details.</i></p>	
	<p>Governance</p> <p>Strengthening our business foundations</p>	<p>We have strengthened proactive and reactive governance by revamping our corporate philosophy and management principles, transitioning to a Company with Audit & Supervisory Committee, and restructuring the chemicals business. In pursuing progress from these efforts, we will endeavor to strengthen our business foundations for further growth.</p> <p><i>Please see pages 42–51 for details.</i></p>	

We comprehensively take into account environmental issues and other Group risks, the global consensus on sustainable social development, and the Group's technological capabilities for helping lower environmental impact in identifying and focusing on materiality impacts that affect our sustainable growth.

Consensuses to which we have referred

- Sustainable Development Goals
- United Nations Global Compact
- Sustainability Accounting Standards Board
- Universal Declaration of Human Rights
- Guiding Principles on Business and Human Rights
- ISO 26000, a global standard for social responsibility
- Global Reporting Initiative standards

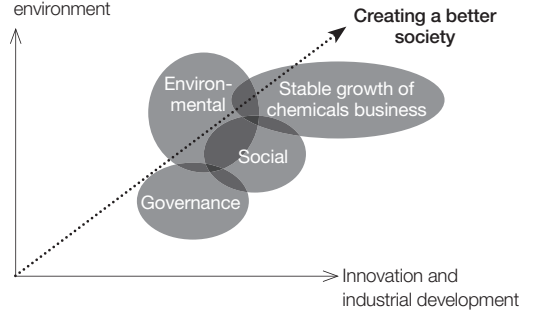
Determining Materiality

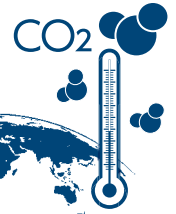
The UBE Group's materiality encompasses growth as well as ESG factors.

In determining materiality, the Group endeavors to contribute to social progress by employing the following two evaluation axes and reports to the Board of Directors.

Materiality Identification

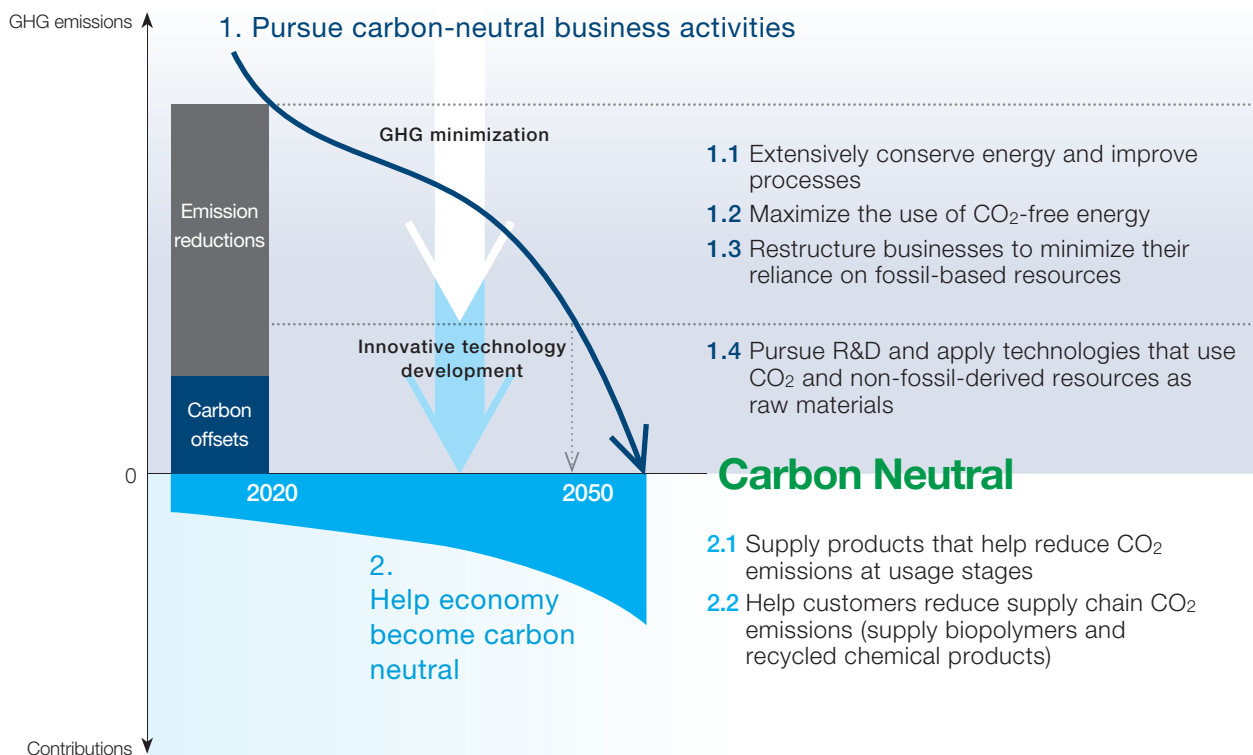
Helping to safeguard the environment





On April 26, 2021, the UBE Group announced its policy for achieving carbon neutrality by 2050. As well as striving to virtually GHG emissions from our operations, we look to help make the economy carbon neutral through product and technology R&D and commercial innovations that contribute to a better environment.

We announced the UBE Group Environmental Vision 2050 in May 2020, and are taking a further step to lower and use of GHG while creating technology and products that pave the way to a carbon-free economy.

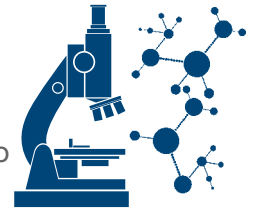


In April 2020, the UBE Group formulated a unified approach to environmental issues to specifically tackle global warming, marine plastic waste, biodiversity, and water resource conservation.

Our performance benchmarks are to reduce GHG emissions by 17% on a Groupwide basis and 20% in the chemicals business, both compared with fiscal 2013, and also to generate at least 50% of consolidated net sales from environmentally friendly products and technologies by

fiscal 2030 in a drive to become carbon neutral by 2050. See Environmental Issues on pages 62–63 for details. See Delivering Value to Society through Product Lines that Support People, Their Livelihoods, and Our Planet on pages 28–29 for details about our environmentally friendly offerings. See The UBE Group’s Innovation: New Environmental Technologies on page 16 for more information on efforts in that respect.

The UBE Group's Innovation: New Environmental Technologies



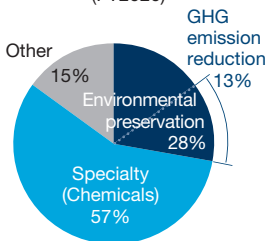
R&D that Contributes to Create Businesses and Help Lower Environmental Impact

The UBE Group pursues R&D to create businesses that will be vital to its long-term growth. We are committed to cultivating technologies that help reduce GHG emissions and contribute to sustainable social growth.

R&D

Breakdown of R&D Expenses by Research Theme

R&D expenses: ¥11.3 billion (FY2020)



The UBE Group's R&D program encompasses all four of its business domains—environment and energy, mobility, construction and infrastructure, and healthcare. From fiscal 2021, we will build on that foundation to undertake R&D that focuses on creating new businesses in five areas. These areas are construction and infrastructure, CO₂ and waste plastic utilization, energy management, nature sustainability, and life sciences.

We will increase success rates by enhancing the synthesis, catalyst, processing, and other technologies that we have amassed across the inorganic, organic, and polymer fields or have gained from collaborating with external entities. In choosing these five areas, we will maintain our specialization approach while becoming even more conscious of the need to tackle environmental issues. In energy management, for example, we aim to contribute to decarbonization by using energy-saving heat insulation and dissipation materials. On the nature sustainability front, we are exploring the use of natural raw materials and techniques to foster efficient plant and animal growth without harming biodiversity.

Addressing CO₂ emissions, waste plastics, and other long-term issues should also present new business opportunities. We will readily allocate resources and leverage projects that the New Energy and Industrial Technology Development Organization (NEDO) commissions to resolve such issues. Here, we will provide details of decarbonization projects and plastic recycling initiatives. We aim to reduce annual CO₂ emissions by up to 200,000 metric tons.

NEDO Projects

CO₂ Utilization Projects Contributing to Decarbonization

Mineral Carbonation

R&D of an Accelerated Mineral Carbonation Process Utilizing Calcium in Industrial Wastes

- **Development team:** Ube Industries, Idemitsu Kosan Co., Ltd., JGC Group, Seikei University, and Tohoku University
- **Focus:** Use carbonate obtained from reactions between industrial waste with high calcium content and factory CO₂ emissions.
- **Progress:** The team is developing low-energy-consumption carbonate technology and applications for the resulting carbonate and by-products to build a process that is profitable and has a low environmental impact.

CO₂ Electrolysis

Integrated Electrochemical Systems for Scalable CO₂ Conversion to Chemical Feedstocks

- **Development team:** Ube Industries, University of Tokyo, Osaka University, RIKEN, Shimizu Corporation, Chiyoda Corporation, and Furukawa Electric Co., Ltd.
- **Focus:** Use renewable energy-derived electricity in electrolysis to convert CO₂ directly into useful chemical raw materials.
- **Progress:** The team is developing high-performance electrocatalysts and evaluating CO₂ electrolysis to build an electrolysis system that can efficiently and selectively convert CO₂ into useful chemical raw materials.

Waste Plastic Recycling

Multilayer Film Recycling

Developing Liquid-Phase Hybrid Recycling Technologies for Multilayer Plastic Films

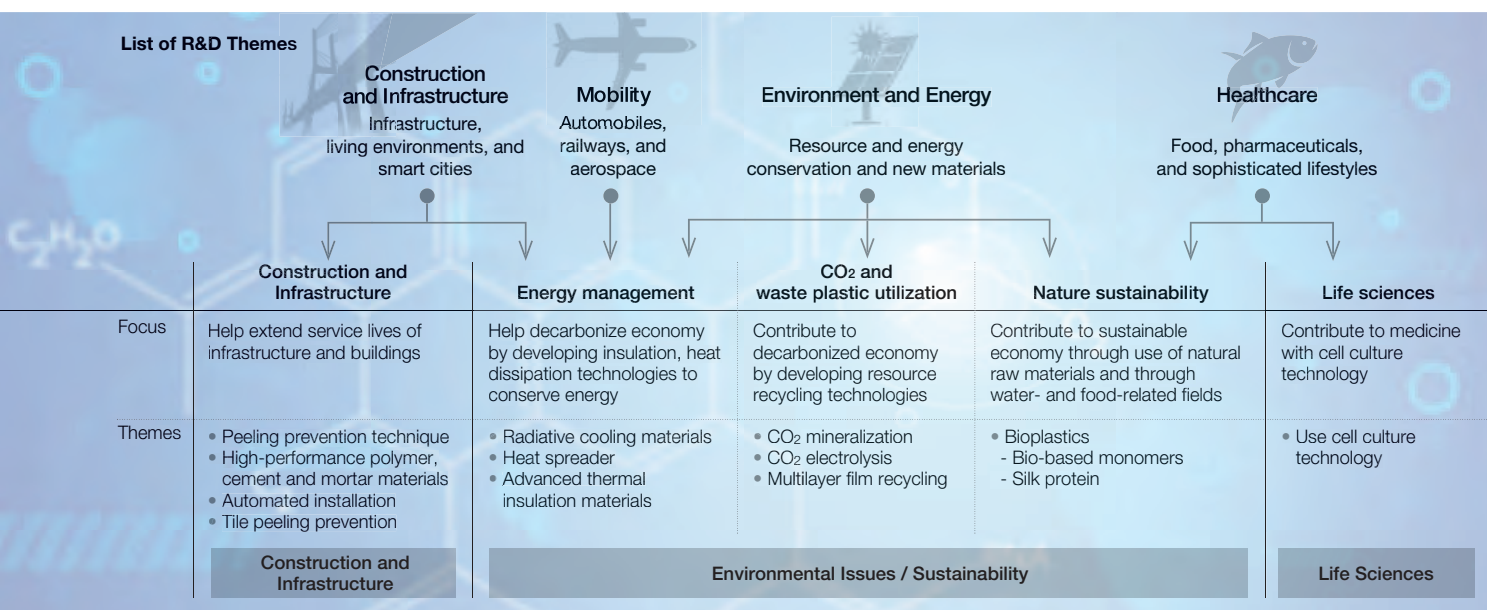
Development team: Ube Industries, Tohoku University, National Institute of Advanced Industrial Science and Technology, Keiwa Kogyo Co., Ltd, Tohzai Chemical



Masayoshi Ota

Senior Executive Officer, General Manager, Research & Development Div., with responsibility for development section and Intellectual Property Dept.

Creating New Businesses and Lowering Environmental Impact through R&D



Industry Co., Ltd., Tosoh Corporation, Toppan Printing Co., Ltd., and Mitsubishi Engineering-Plastics Corporation

Focus: Treat multilayer (nylon–polyolefin) films at high temperatures with highly pressurized water to recycle decomposed nylon monomer and isolated polyolefins.

Progress: Attained target nylon monomer yield after decomposition as a result of initial nylon pellet assessment. Currently verifying optimal decomposition treatment for layer composition and crushing for multilayer films.

Using Non-Fossil Raw Materials

Bio-Based Polymer

R&D of Data-Driven Integrated Biomanufacturing Management System

Development team: Ube Industries, National Institute of Advanced Industrial Science and Technology, and other entities

Focus: Obtain monomer through microbial biomass conversion.

Progress: Designed and constructed prototype microorganisms to produce monomer. From fiscal 2021, looking to shift to R&D using a data-driven integrated biomanufacturing management system (please see note).

Note: This R&D support system accumulates, shares, and uses information obtained from technological development to drive the adoption of biomanufacturing technologies.

Glossary

*1 IP portfolios: Patents, copyrights, know-how, and other IP that corporations can use to formulate strategies and assess competitiveness

*2 Open/close strategies: Management strategies that give companies competitive edges by making IP open or closed

Intellectual Property

The UBE Group's initiatives to reinforce and optimally leverage intellectual property (IP) aim to enable us to create new businesses and bolster competitiveness, thereby helping to build and expand enterprise value.

We seek to maximize our enterprise and IP value by formulating IP strategies according to our business strategies and by implementing the plan-do-check-act (PDCA) cycle of IP strategy activities. Furthermore, to strengthen IP research and analysis capabilities, we are working to improve operational efficiency, including in R&D departments, by utilizing tools with AI functions and to utilize IP portfolios*¹ and open/close strategies*² while promoting IP activities that contribute to business revenue. At the same time, we are promoting global IP management as the UBE Group, and are advancing the sharing of activity policies and IP information with Group companies in Japan and overseas.



Special Feature: Chemicals Business Growth and Construction Materials Business Integration

Integration Purpose

UBE and Mitsubishi Materials established UBE-MITSUBISHI CEMENT CORPORATION as a 50:50 joint venture in 1998, through which they integrated their cement sales and logistics capabilities to cut logistics and back-office expenses.

The operating climate for the domestic cement business has experienced dramatic changes, slower demand and significantly higher energy prices being two examples. The two companies thus needed to create a new structure that reinforces their relationship so their cement businesses could grow.

The full integration of the construction materials businesses of the two companies, including production, will pour domestic cement business cash flows into businesses offering growth potential in Japan and abroad. UBE and Mitsubishi Materials should accordingly keep delivering sustainable growth by contributing to social infrastructure development and a circular economy.

Business Integration

UBE and Mitsubishi Materials Corporation plan to integrate their cement and related businesses in April 2022. This special feature discusses the reason for this move

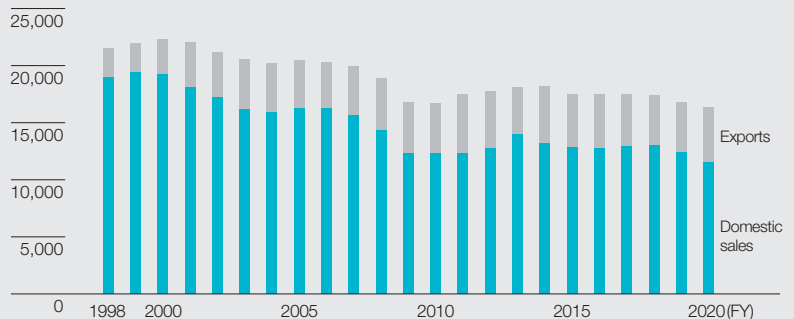
and the new company's growth prospects. It also explores the goals of the chemicals business, which will become UBE's sole segment after integration, and the Company's efforts to become carbon neutral by 2050.

- 1923**
Production starts at Ube Cement Factory
- 1955**
Production begins at Isa Cement Factory
- 1964**
Production starts at Kanda Cement Factory
- 1998**
UBE-MITSUBISHI CEMENT CORPORATION established

History of UBE-MITSUBISHI CEMENT

Since its establishment in 1998, UBE-MITSUBISHI CEMENT has endeavored to maintain stable supplies of cement, which is essential for constructing infrastructure, by leveraging an extensive domestic logistics network. That joint venture ranks second in its industry in Japan in terms of cement sales volume. In view of recently falling cement demand, that company needed to streamline operations to maintain stable supplies.

Cement Sales Volume
(Thousands of metric tons)



Isa Cement Factory (Clinker production capacity of 3.77 million metric tons annually*)

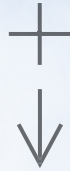
* Source: Japan Cement Association's Cement Handbook 2020

Strengths and Business Model



Strengths of UBE's cement business

- Large port facilities, coal center, and other infrastructure in Ube area
- Nationwide ready-mixed concrete production and sales network
- Inorganic materials business of Ube Material Industries, Ltd.



Strengths of Mitsubishi Materials' Cement Business

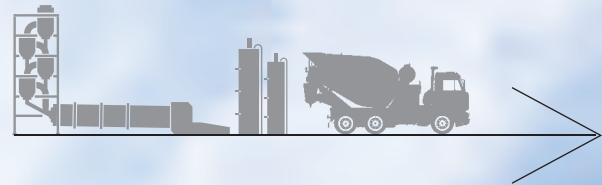
- Kyushu Plant, with Japan's largest cement production capacity
- Ample limestone resources at Higashitani Mine
- Highly competitive cement and ready-mixed concrete businesses in the United States

Combining strengths of two companies with integration benefits

Growth Prospects

In the domestic market, the new entity will endeavor to reinforce its business underpinnings by maximizing synergies to drive efficiency across the entire value chain, including by optimizing the production structure and restructuring sales and logistics for the downstream ready-mixed concrete and other businesses. It will thereby enhance its position by contributing to social infrastructure development and a circular economy. The company will focus resources that domestic cement businesses have on businesses with growth potential in Japan and abroad. These include the overseas cement and ready-mixed concrete businesses and the high-performance inorganic materials business, which employs high-quality limestone.

Through these efforts, UBE and Mitsubishi Materials will pursue sustainable growth by optimizing their business management structures.



Profile of New Company

Name	Mitsubishi UBE Cement Corporation
Location	Iino Building, 2-1-1, Uchisaiwaicho, Chiyoda-ku, Tokyo
Businesses	Cement and ready-mixed concrete businesses in Japan and overseas, limestone business, energy and environment-related business, construction materials business, and other related business
Capitalization	¥50,000 million
Representatives	Makoto Koyama, Representative Director, President Kazuto Hirano, Representative Director, Vice President
Planned business launch date	April 1, 2022

Mitsubishi Materials
Kyushu Plant

(Clinker production capacity of 6.61 million metric tons annually*)

* Source: Japan Cement Association's Cement Handbook 2020

Description

- 1 Applications
- 2 Features
- 3 Production structure



Employed in Toyota Mirai's pressurized hydrogen tank liner

Nylon Composites

- 1 Automotive parts, etc.
- 2 Technological strengths underpinned by record in supplying automakers and Japan's largest nylon supply capacity with inhouse-made raw materials
- 3 Acquired Repol S.L. in Spain in 2019 and Premium Composite Technology North America, Inc., in the United States in 2020 to establish global production and quality assurance structures



High-Performance Coatings

Including polycarbonate diol (PCD) and polyurethane dispersion (PUD)

- 1 Including automotive interior materials (synthetic leather), paints, and floor coverings
- 2 Demand growing for eco-friendly coating materials with low volatile organic compounds (VOCs)* that leverage the high performance of PCD
- 3 Planning to lift capacity to match demand expansion



Chemicals Business Growth

After integration to create the new company, the cement business will contribute to the UBE Group as an equity-method affiliate by leveraging synergies to enhance profitability. UBE will pursue further growth as a chemicals company, transforming its business structure and specializing to shift to a structure that is less energy-intensive and less vulnerable to market fluctuations and building a resilient business portfolio with growth potential. UBE will broaden its global scale and drive the UBE Group's expansion by allocating resources to priority businesses and products. Among them are fine chemicals, including high-performance coatings, nylon composites, separation membranes and other polyimide-related products, and peripheral fields.

Fine Chemicals

- 1 Including lithium-ion battery (LiB) materials, semiconductor materials, raw materials for polyurethane and polyester resins, intermediate raw materials for pharmaceuticals and agrochemicals, and fragrances
- 2 Globally and domestically unique specialty offerings including C1 chemical products from proprietary nitrite technology, divalent phenol products, C12 chemical products, and amine products
- 3 In C1 chemicals, developing licensing business in China for technology to produce monoethylene glycol from dimethyl oxalate and looking to establish dimethyl carbonate production sites in China and the United States to drive global C1 chemical chain expansion



Polyimide

- 1 COF films for displays, polyimide for flexible circuit boards and flexible display circuit boards
- 2 World's only manufacturer integrating production from biphenyltetracarboxylic dianhydride (BPDA) monomers

Separation Membranes

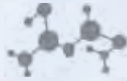
- 1 Separating and recovering CO₂, H₂, N₂, dehumidification, dehydration of bioalcohol, and other gases and vapor
- 2 Japan's sole gas separation membrane manufacturer with a sophisticated separation technology that helps realize a green society



Glossary

* Volatile organic compounds (VOCs): These organic chemicals evaporate or sublimate easily, entering the atmosphere as gases. They are factors in the forming of suspended particulate matter (PM) and photochemical oxidant pollution.





● **Chemicals Business** While creating new technologies through R&D and expanding sales of environmentally friendly products and technologies, we are rigorously conserving energy and improving processes. Also, we are rebuilding our business structure that does not rely heavily on fossil resources by focusing on specialty chemicals, and are pursuing the following initiatives.

	Fiscal 2020 results	Fiscal 2021 initiatives
Domestic plants and domestic Group companies	<ul style="list-style-type: none"> Reduced utility consumption by improving equipment design Reduced electricity consumption by removing bottlenecks in the process Upgraded to energy-saving facilities 	<ul style="list-style-type: none"> Increase use of unused utility from other companies Upgrade to energy-saving facilities
Overseas Group companies	<ul style="list-style-type: none"> Reduced utility consumption by optimizing operation of a caprolactam plant in Thailand Upgraded to energy-saving facilities 	<ul style="list-style-type: none"> Reduce utility consumption by optimizing operation of a caprolactam plant in Thailand Upgrade to energy-saving facilities
CO₂ emissions cuts	Approx. 17,300 metric tons	Approx. 9,700 metric tons

Initiatives to Become Carbon Neutral by 2050

From fiscal 2022, the UBE Group will shift to a new business structure, with Ube Industries taking on the chemicals business, Mitsubishi UBE Cement Corporation taking on the construction materials business, and UBE Machinery Corporation, Ltd. taking on the machinery business. Our operations will continue striving to become carbon neutral in light of the Japanese government's commitment to such a goal for the nation overall. Please see page 15 for details.



● **Construction Materials Company** We invested heavily in waste heat power generation facilities that became operational at the Isa Factory in January 2020 and high-efficiency clinker coolers that should go online at the Kanda Factory in fiscal 2022. We are also continuing to undertake decarbonization initiatives, such as to step up the use of plastic and other wastes as thermal and energy alternatives. We set up the cross-company Global Warming Countermeasures Project organization in April 2021, and are accelerating the assessment of efforts to attain carbon neutrality. At the same time, we are implementing the following initiatives.

	Fiscal 2020 results	Fiscal 2021 initiatives
Cement factories	<ul style="list-style-type: none"> Converted clinker cooler bag filter exhaust fans to inverter setups at Isa Factory Upgraded to energy-saving facilities 	<ul style="list-style-type: none"> Rationalization of cement crushing process at Kanda Factory Upgrade to energy-saving facilities
Power plants	<ul style="list-style-type: none"> Increased use of biomass fuel for independent power producer (IPP) setup Upgraded to energy-saving facilities 	<ul style="list-style-type: none"> Upgrade to energy-saving facilities
CO₂ emissions cuts	Approx. 94,200 metric tons	Approx. 10,300 metric tons



● **Machinery Company** Each unit in the Machinery Company is focusing on developing products that help conserve the environment and is also working on providing services that leverage existing facilities.

In the steelmaking business, we are also expanding environmental recycling operations, notably to completely melt and process industrial and medical waste in manufacturing processes.

On top of contributions to society overall, we are undertaking the following initiatives.

	Fiscal 2020 results	Fiscal 2021 initiatives
	<ul style="list-style-type: none"> Ube Steel: Reduced fuel consumption by upgrading preheaters Upgraded to energy-saving facilities 	<ul style="list-style-type: none"> Ube Steel: Reduce fuel consumption by upgrading preheaters Upgrade to energy-saving facilities
CO₂ emissions cuts	Approx. 800 metric tons	Approx. 600 metric tons

The UBE Group's Evolution

1897 — The UBE Group started out in Ube, Yamaguchi Prefecture, as a coal mining operation.

Calendar year

1897

1942

1950

1960

1970

1980

End of World War II

Oil fields discovered throughout the Middle East

Organization of the Petroleum Exporting Countries (OPEC) established

The first and second oil shocks

Business expansion since establishment

Postwar reconstruction and modernization

We worked energetically to recover from the devastation of war by reconstructing and expanding operations while striving to rebuild living standards and modernize amid society's reconstruction.

High growth period: Entering the petrochemicals field and closing coal mines

As oil replaced coal as the prime source of energy, we invested extensively in various ways, including to enter the petrochemicals business and switch raw materials and fuels. The curtains began to come down on our coal business, the Group's founding business.

Responding to the oil shocks

Amid the crises stemming from the oil shocks, we became the first in our industry to resume using coal and developed new technologies while eliminating unprofitable facilities and otherwise pushing ahead with reforms to overcome challenges.



1951 ● Opened the Central Research Laboratory

1968 ● Opened Polymer Research Laboratory (then)

1949 ● Listed on the Tokyo Stock Exchange

1962 ● Foreign currency borrowing and syndicated loans Expanded funding demand

1942 ● Established Ube Industries, Ltd.

Chemicals



1945 ● Focused on raising ammonium sulfate production Tackling postwar food shortages



1955 ● — Expanding the chemicals business Expanded caprolactam, nylon, polyethylene, acrylonitrile butadiene styrene, polypropylene, and synthetic rubber businesses

1973 ● Began producing catechol with a new process

Developed new production technique in line with shift from oil to coal as ammonia gas source. Diversified into fine chemical products

1933 ● Ube Nitrogen Industry, Ltd., established Producing ammonium sulfate fertilizer from coal

1960 ● Switched from coal to oil as ammonia gas source Responded to energy revolution

1980 ● — Started full-scale pharmaceutical research Completed the first general purpose factory

Construction Materials



1923 ● Ube Cement Production, Ltd., established Tapped the region's abundant limestone resources



1961 ● Started full-scale use of heavy oil for the Ube Cement Factory kilns Responded to energy revolution

1974 ● Resumed coal co-firing at the Ube Cement Factory and the Kanda Cement Factory Responded to the first oil shock

1946 ● Started developing limestone mine in Isa (production began in 1955)

1961 ● Built the first postwar cement tanker "KIYOYASU MARU" (largest at that time) Followed by building of several large cement tankers and expanding cement business nationwide by constructing logistic centers around the nation

1980 ● Completed Okinoyama Coal Center Restarted the coal business

1897 ● Okinoyama Coal Mine set up UBE Group's founding business

1947 ● Focused on boosting coal production Increased coal production to overcome postwar energy shortages

1964 ● Inaugurated production at the Kanda Cement Factory Expanded and reinforced the cement business

1977 ● Closed last coal mine Ended our founding business

1975 ● Completed Ube-Mine Highway Road (now Dedicated Ube Industries Road)

Machinery



1914 ● Established Ube Shinkawa Iron Works Started the manufacture and maintenance of coal mining machinery

1953 ● Delivered first water screening equipment

1954 ● Started sales of vertical mills

1962 ● Delivered first die-casting machine

1967 ● Delivered first injection molding machine



1946-1949 Irregular settlement

Irregular settlement

Irregular settlement

Switch to new yen

Calendar year 1942

Six-month settlement

1950

1960

1970

1980

Climate change, the COVID-19 pandemic, and other global emergencies have heightened the need for change to tackle crises and become sustainable. The UBE Group has devoted its 124 years to transform itself to overcome crises and innovate products that support the cutting edge of the times.

1990

2000

2010

2020

The Plaza Accord

Burst of Japan's bubble economy

Asian currency crisis

Lehman Shock

Climate change issues

Transforming the business structure and restructuring management

The yen's appreciation and recession following the oil crises forced us to rationalize operations in various ways, and we steadily developed technologies and expanded our business to build the foundation of the specialty business.

Financial Restructuring

We tackled an unprecedented crisis after Japan's bubble economy burst by pursuing ongoing efforts to improve our vulnerable financial structure and reinforce Group management, thereby building a stable earnings base.

Entering a new stage, with the aim of sustainable growth

We responded to such paradigm shifts as the rise of emerging economies and growing environmental concerns by developing new strategies for growth, including through external collaborations and by tackling environmental issues.

1984 ● Paid no dividends for the first time

1983 ● —
Developed specialty business including polyimide, separation membranes, silicon nitride, DMC, PCD, and battery materials

1984 ● Switched from oil to coal as ammonia gas source
Responded to the oil crisis

1982 ● Operated coal-fired private power plants
Responded to the second oil shock

1985 ● Expanded the Okinoyama Coal Center and port facility capacity
Met rising coal demand

1982 ● Completed Kosan-Ohashi Highway Bridge

Irregular settlement



1993 ● Spain 1997 ● Thailand
Completed caprolactam production structure covering three regions

2001 ● Transferred the polypropylene business to Mitsui Chemicals, Inc.

1996 ● Switched from coal to petcoke as ammonia gas source

1995 ● Started to handle the waste from local municipality
Contributing to environment by resource recycling

1996 ● Built the state-of-the-art NSP kilns at the Ube Cement Factory
Increased competitiveness

1998 ● Established UBE-MITSUBISHI CEMENT CORPORATION
Integrated sales and logistics divisions of both UBE and Mitsubishi Materials Corporation to remain competitive under the dwindling domestic demand for cement

2002 ● Developed biomass fuel
Helped reduce environmental impact

1999 ● Established UBE Machinery Corporation, Ltd.
Pursued more dynamic business management structure

1996 ● Started sales of air supportive conveyors



2006 ● Made first public share offering

1999 ● Deployed first consolidated medium-term management plan

2009 ● Established Global Warming Countermeasures Promotion Office (then)
Responded to growing environmental concerns

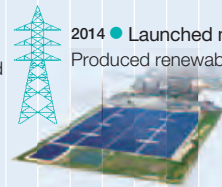
2016 ● Opened the Osaka Research & Development Center

2011 ● —
Grew by collaborating with other companies
Strengthened competitiveness through collaboration in such areas as separators (Maxell Holdings, Ltd.), polyimide (Samsung Group), acrylonitrile butadiene styrene (JSR Corporation and Mitsubishi Rayon Co., Ltd.), and electrolytes (Mitsubishi Chemical Corporation)

2014 ● Shut down caprolactam facility at the Sakai Factory
Switched strategy in response to facilities expansion in emerging countries

2020 ● Announced business integration with Mitsubishi Materials Corporation
Integrated completely including manufacturing to establish an optimal operational framework, thereby aiming to realize sustainable growth

2014 ● Launched megasolar operations
Produced renewable energy



2017 ● Injection molding machinery business of Mitsubishi Heavy Industries, Ltd., became a subsidiary of UBE Machinery
Expanded product lineup and sales channels

Net Sales (Millions of yen)
700,000

600,000

500,000

400,000

300,000

200,000

100,000

Non-consolidated settlement

Consolidated settlement

Building Value to Materialize Sustainable Growth
The UBE Group's Business Model

The UBE Group concentrates its manufacturing facilities in the Ube area. Its chemicals, construction materials, and machinery business segments share such infrastructure as power plants and ports to ensure cost competitiveness. However, each business segment runs independently. We are building a business model that can generate sustainable value by swiftly addressing changes.



Chemicals

Role and positioning: Boost earnings stability and drive Groupwide growth
Resource allocations: Capital expenditures Approx. ¥20.5 billion
 Active growth businesses Approx. ¥8.0 billion
 R&D expenses Approx. ¥10.0 billion
 Employees 5,132

We have progressed over the years by sophisticating synthetics technologies cultivated through the manufacturing of fertilizer from coal to supply products that match contemporary needs. Our broad lineup extends from nylon and synthetic rubber to such advanced offerings as separators, polyimide, and separation membranes, as well as environmentally friendly high-performance coatings. We also maintain drug discovery and contract pharmaceuticals.



Construction Materials

Role and positioning: Generate consistent profits and cash flows and expand new businesses
Resource allocations: Capital expenditures Approx. ¥14.0 billion
 Active growth businesses Approx. ¥3.5 billion
 Free cash flow Approx. ¥15.0 billion
 Employees 3,269

Here, we progressed by focusing on the cement, calca, and magnesia businesses by drawing on the Ube area's abundant reserves of coal and on limestone from Ube's surrounding areas. We are endeavoring to maximize profitability by drawing on comprehensive strengths with Group companies in such areas as manufacturing ready-mixed concrete, transporting cement, and sales. We have developed numerous building materials products that draw on our chemicals business knowledge. The Construction Materials Company underpins social infrastructure and lifestyles.

Strength

Infrastructure



Enhance productivity by sharing infrastructure
 Tap steam from a thermal power plant and waste heat from cement plants
 Located favorably owing to its limestone, water resources, port, and other features



Energy Business

(Construction Materials Company)

We supply power and other resources to plants and offices in the Ube region. At the same time, we are endeavoring to reduce our environmental footprint through solar power, biomass, and other energy sources.

We started out with coal mining machinery and refined our production technologies by manufacturing essential machinery for the cement and chemicals businesses. We make injection molding machines and die-casting machines that we supply to automobile manufacturers around the world, as well as such other offerings as transportation machinery, crusher equipment, and bridges. We also maintain machinery maintenance and improvement services. Advanced proprietary technologies underpin our high reputation.



Machinery

Role and positioning: Undertake operations that match business characteristics and enhance business value

Resource allocations: Capital expenditures Approx. ¥5.0 billion
 Employees 1,872

Key Facilities in the Ube Area

- Chemicals
- Construction Materials
- Machinery



UBE Machinery Corporation, Ltd.

Ube Cement Factory

Thermal power plant

UBE Steel Co., Ltd.

Ube Head Office

Ube Material Industries, Ltd. (Plant 1)

US Power Co., Ltd. Megasolar power plant

UBE-Fujimagari Factory

Ube Chemical Factory

Strategic Core Technology Research Laboratory
 Pharmaceuticals Research Laboratory

Strength

Our people

Please see pages 53-56 for details.



- Diversity
- Pleasant working environment

Motivated people with integrity

All employees are fully committed to collaborating and focusing on resolving tasks.

Strength

Technological capabilities

Please see pages 16-17 and 28-29 for details.



Synthetics technologies: We started out by employing coal, which is difficult to use as a chemicals raw material, and amassed synthetics technologies that we have leveraged in environmentally friendly product development.

Strength

Our solid customer base

(Osaka Research & Development Center)
(Development centers in Thailand and Spain)



Addressing Environmental Issues

- Reduce GHG emissions
- Create and expand businesses that contribute to the environment
- Pursue the SDGs
- Declare support for TCFD

Sustainable Growth

Strategies Employing Our Strengths

Concentrating operational resources on active growth businesses

- Cultivate high-value-added products
- Further globalize
- Strengthen proposal-based businesses
- Undertake timely capital investments
- Strengthen sales structure

Medium-Term Growth Areas

Creating new businesses in four priority areas:



Mobility

Automobiles, railways, and aerospace



Healthcare

Food, pharmaceuticals, and sophisticated lifestyles



Construction and Infrastructure

Infrastructure, living environments, and smart cities



Environment and Energy

Resource and energy conservation, and new materials

- Synthetic rubber a. b. c. d.
High added value and capacity expansion

- Separation membranes b. c. e.
Sales force reinforcement and sales expansion

- Separators a. c. d.
High quality

- Nylon a. b. c.
Composites business expansion

- Fine chemicals b. c.
C1 chemicals deployment in North America

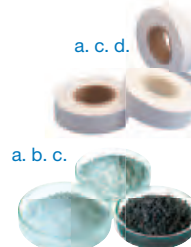
- High-performance coatings a. b. c. d. e.
Global sales expansion and technological development

- Magnesia, calcia a. d.
High added value and capacity expansion

- Biomass fuel c. e.
Stable production and expanded usage

- Resource recycling a. c. d. e.
New business creation and expansion of environmental materials sales

- Polyimide c. d.
Capacity expansion and application development



The UBE Group's Value Creation Process

The UBE Group evaluates the risks and opportunities of environmental issues and other aspects of change in the business climate to identify materiality. We then plan and implement management strategies and deliver products and solutions, thereby delivering real value to society while tackling the negative impacts of climate change and helping to realize social sustainability in our drive to generate sustainable growth.

Changes in operating climate → FY2020 Capital components of enterprise value

Climate change and other environmental issues

Toward a sustainable economy

COVID-19 pandemic and other global outbreaks, increasing incidence of natural disasters and aging infrastructure

Changing behavioral patterns to prevent infections and contain spreads

Enhancing national resilience and rebuilding infrastructure to prevent and reduce disasters

Population growth in emerging nations, expansion of middle class, and urbanization

Food, water, resources, infrastructure, and energy shortages

Aging populations in developed nations

Diversifying work practices and accelerating globalization

Providing more opportunities for female employees

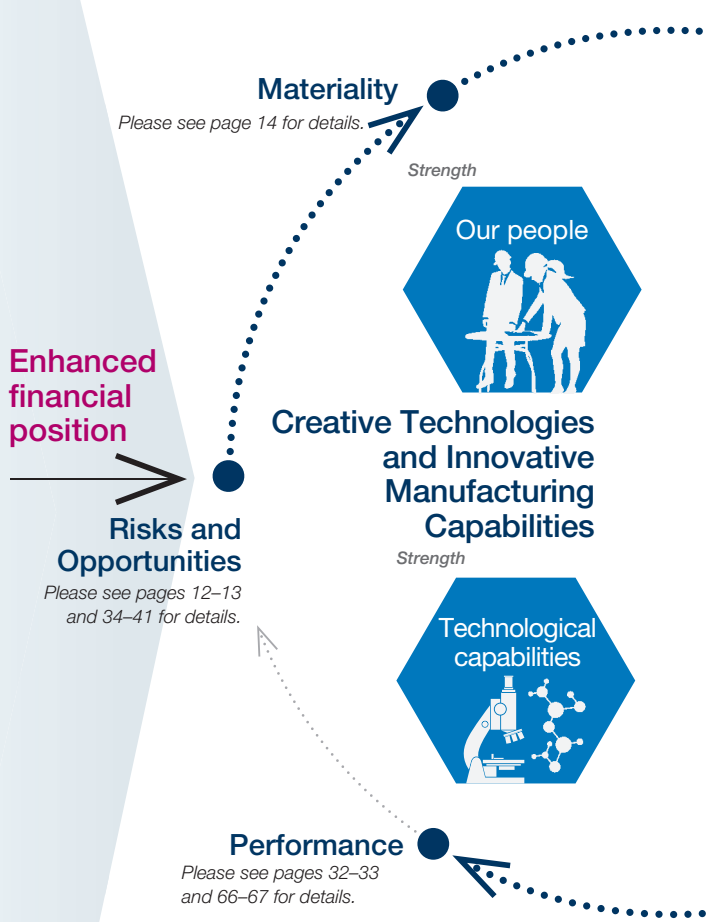
Fostering diversity

Cultivating global talent

Digital transformation

New business model
Enhanced productivity
Accelerated R&D

<p>Financial Capital Underpinning enterprise value with a sound financial position</p> <p>Equity Capital ¥332.3 billion* <small>* As of April 1, 2020 Please see page 9 for details.</small></p>
<p>Manufacturing Capital Infrastructure, businesses, human resources, and expertise concentrated in the Ube area</p> <p>5 sites in Japan 4 sites overseas <small>Please see pages 24–25 for details.</small></p>
<p>Human Capital Respecting diverse people and values <small>Please see pages 53–56 for details.</small></p>
<p>Intellectual Capital Broad technological foundations</p> <p>R&D Expenses ¥11.3 billion <small>Please see pages 16–17 for details.</small></p>
<p>Social Capital Emphasizing stakeholder engagement</p> <p>Number of one-on-one meetings with investors in fiscal 2020 Approx. 200</p> <p>Regional Responsible Care (RC) engagement Since 1997 <small>Please see pages 28–29, 42–45, 50, 52, and 57 for details.</small></p>
<p>Natural Capital Lowering environmental impact</p> <p>Abundant water resources (Yamaguchi Prefecture) Products and technologies that contribute to the environment <small>Please see pages 15–17, 30–31, and 60–64 for details.</small></p>



Enhanced financial position

Risks and Opportunities
Please see pages 12–13 and 34–41 for details.

Bedrock of value creation

Management Philosophy — Pursue technology and the future and



Vision for 2025
Vision UBE 2025

Medium-Term Management Plan
“Vision UBE 2025 –Prime Phase–”

Strategy and Resource Allocation

Please see pages 10–11 for details.

Strength

Our solid customer base



Strength

Infrastructure



Products and Solutions

Please see pages 28–29 and 34–41 for details.

Generating value

FY2020
Impact on capital components of enterprise value

Value provided to society

Product Lines that Support People, Their Livelihoods, and Our Planet
Contributing to a Circular Economy

Profit before Income Taxes	¥22.4 billion
Free Cash Flow	¥26.6 billion
ROE	6.6%
ROE	3.7%
Number of People Who Are Newly Qualified* that Underpin Front-Line Capabilities	76
* High-pressure gas manufacturing and maintenance managers (Chemicals) Authorized concrete engineers Authorized chief concrete engineers (Construction Materials) Certified skilled professionals (Machinery)	
Number of Patents Granted	194*
* FY2019	
Percentage of Consolidated Sales Derived from Environmentally Friendly Products	30%
Savings from Resource Reuse and Energy Conservation	¥5.8 billion

Addressing environmental issues

Developing technologies to use CO₂ and waste plastic utilization, manage energy, and use natural raw materials

Please see pages 16–17 for details.

Providing environmentally friendly products and solutions (including lithium-ion batteries, eco-tires, and lightweight automotive materials)

Please see pages 28–29 for details.

Please see pages 62–64 for more information about our efforts to address environmental issues.

SDGs initiatives



Addressing healthcare and food issues

Contributing to health, food hygiene, and food production (such as in terms of pharmaceuticals, food packaging films and fertilizers)



Contributing to a circular economy

Recycling resources (using waste as raw materials for cement and steelmaking)

Developing technologies to use CO₂ and waste plastics

Please see pages 16–17, 30–31, 41, and 64 for details.



Maintaining and rebuilding lifestyle infrastructure

Manufacturing, sales, and technological development for cement and repair and renovation materials

Manufacturing, sales, and technological development, including for industrial machinery and bridges

Please see pages 17 and 38–41 for details.



Contributing to regional communities

Creating jobs, paying taxes, engaging in regional development and helping conserve regional environments

Please see pages 60–63 for details.



ESG

Please see pages 15–17, 28–31 and 46–65 for details.

embrace innovation to create value for contribute to social progress

Capital reinjections into new value creation

Delivering Value to Society through Product Lines that Support People, Their Livelihoods, and Our Planet

The UBE Group's product lines are being used in various aspects of society. Many of our products and technologies contribute to conservation. Our ongoing product and technology development enables us to achieve sustainable growth.



Integrated Report 2020
(Year ended March 31, 2020)



Social Essentials

Our core chemicals and construction materials businesses mainly make materials that are indispensable for supporting people, their livelihoods,

and our planet. We also manufacture an array of machinery that is vital for automobiles and other products and for infrastructure. Our offerings are invisible to most people but they are nonetheless

Numerical targets, initiatives, existing products, and technology development projects related to four environmental issue categories

Environmentally friendly products and technologies to account for more than 50% of consolidated net sales by fiscal 2030

Objectives and initiatives	Existing products and technologies	Providing (developing) materials, products, and technologies
Global warming Providing materials and products that help reduce and recover GHG emissions	<ul style="list-style-type: none"> Chemicals: Including synthetic rubber (for tires), nylon (for automobiles), ammonia (for fuel), polyimide, liquefied carbon dioxide, curing agents for powder paints (helps reduce VOCs), inverter capacitor materials, separators, separation membranes, silicon nitride, and Tyranno Fiber® Construction materials: Including torrefied pellets, MOS-HIGE, and calcium carbonate Machinery: Including energy-saving injection molding machines, extrusion presses, and air supportive conveyors 	CO ₂ mineralization and electrolysis, heat dissipation composite, radiative cooling, and high-performance insulation materials
Marine plastic waste Develop and supply materials and products that help resolve this issue		Multilayer film recycling, materials from waste plastics, and nylon recycling technology
Biodiversity Contribute to a healthier environment and conserve biodiversity through business	<ul style="list-style-type: none"> Chemicals: Heliofresh®, Heliotropin, high-purity chemicals, nylon (for food packaging applications), high-performance coating materials, and ammonium sulfate 	Bio-derived polymers and silk protein
Water resource conservation Help conserve water resources by properly using and managing water	<ul style="list-style-type: none"> Construction materials: Magnesium hydroxide (slurry) 	



Synthetic rubber:
Helping enhance fuel efficiency and reduce CO₂ emissions through vehicle tire applications



Nylon:
Helping conserve energy by lightening vehicles and reducing CO₂ emissions while contributing to lower food losses through food packaging materials that store contents hygienically

Timeline for generating more than 50% of consolidated net sales from environmentally friendly products and technologies by fiscal 2030



central to innumerable end products that contribute to better living and social progress.

Integrated Report 2020 explained the importance of our businesses for society in each business segment. This year's report focuses on our environmentally friendly products and technologies.

Setting New Targets to Help Resolve Environmental Issues

As well as the announcement of its policy for achieving carbon neutrality by 2050 to take a further step to address environmental issues, the UBE Group also looks for environmentally friendly products and technologies to account for more than 50% of consolidated net sales by fiscal 2030.

We have categorized environmental issues in terms of (1) global warming, (2) marine plastic waste, (3) biodiversity, and (4) water resource conservation.

Environmentally Friendly Products and Technologies

We have formulated environmentally friendly product and technology guidelines encompassing the four categories above in keeping with a section of ISO 14001:2015 that describes the environmental impacts of organizations. We view tackling environmental issues as an opportunity, and will help resolve those problems by selling more environmentally friendly products and technologies.

Tackling Environmental Issues and Pursuing Sustainable Growth

The UBE Group's product lines are indispensable to society. Our environmentally friendly products and technologies in particular create value that leads to a sustainable social future. Also, those products and technologies are active growth businesses, our growth drivers. Our efforts to help resolve global warming and other issues through our offerings make it possible for us to grow sustainably and that is the role we should play as a materials manufacturer.

Criteria for assessing environmentally friendly products and technologies

Contamination prevention

- Help reduce, mitigate, and capture atmospheric emissions
- Help reduce, mitigate, and recover wastewater
- Help reduce, mitigate, and recycle waste
- Help reduce usage and disposal of toxic and hazardous chemicals, mitigate use, and contribute to recovery
- Contribute to other identifiable pollution reductions and mitigation

Sustainable resource usage

- Help enhance energy efficiency
- Help conserve and reclaim water
- Help reduce water use and access and contribute to usage mitigation, recovery, and reuse
- Help improve materials usage efficiency, usage reductions, and reuse
- Help minimize product resource requirements

Climate change mitigation and adaption

- Help reduce, mitigate, and capture CO₂ emissions
- Help reduce, mitigate, and capture methane emissions
- Help reduce, mitigate, and capture nitrous oxide emissions
- Help reduce, mitigate, and capture GHG emissions from human activities
- Help mitigate and adapt to temperature rises
- Help mitigate and adapt to rainfall trend changes
- Help control and adapt to frequently abnormal weather
- Help control, tackle, or adapt to sea level rises
- Help control and resolve worsening water shortages
- Help protect, maintain, and restore ecosystems
- Help reduce or avoid damage to agriculture and fisheries

Environmental protection and biodiversity and natural habitat restoration

- Help evaluate and protect biodiversity
- Help assess, protect, and restore ecosystem services
- Contribute to sustainable land and natural resources use
- Help foster environmentally friendly urban and rural development



Lithium-ion battery separators:
Helping reduce fossil resource consumption and CO₂ emissions through use in hydrogen, electric, and other advanced vehicles



Separation membranes:
Helping lower fossil resource use through biofuels refining and FCV applications



Torrefied pellets:
As biomass fuel, helping reduce fossil resource consumption and CO₂ emissions from thermal power generation



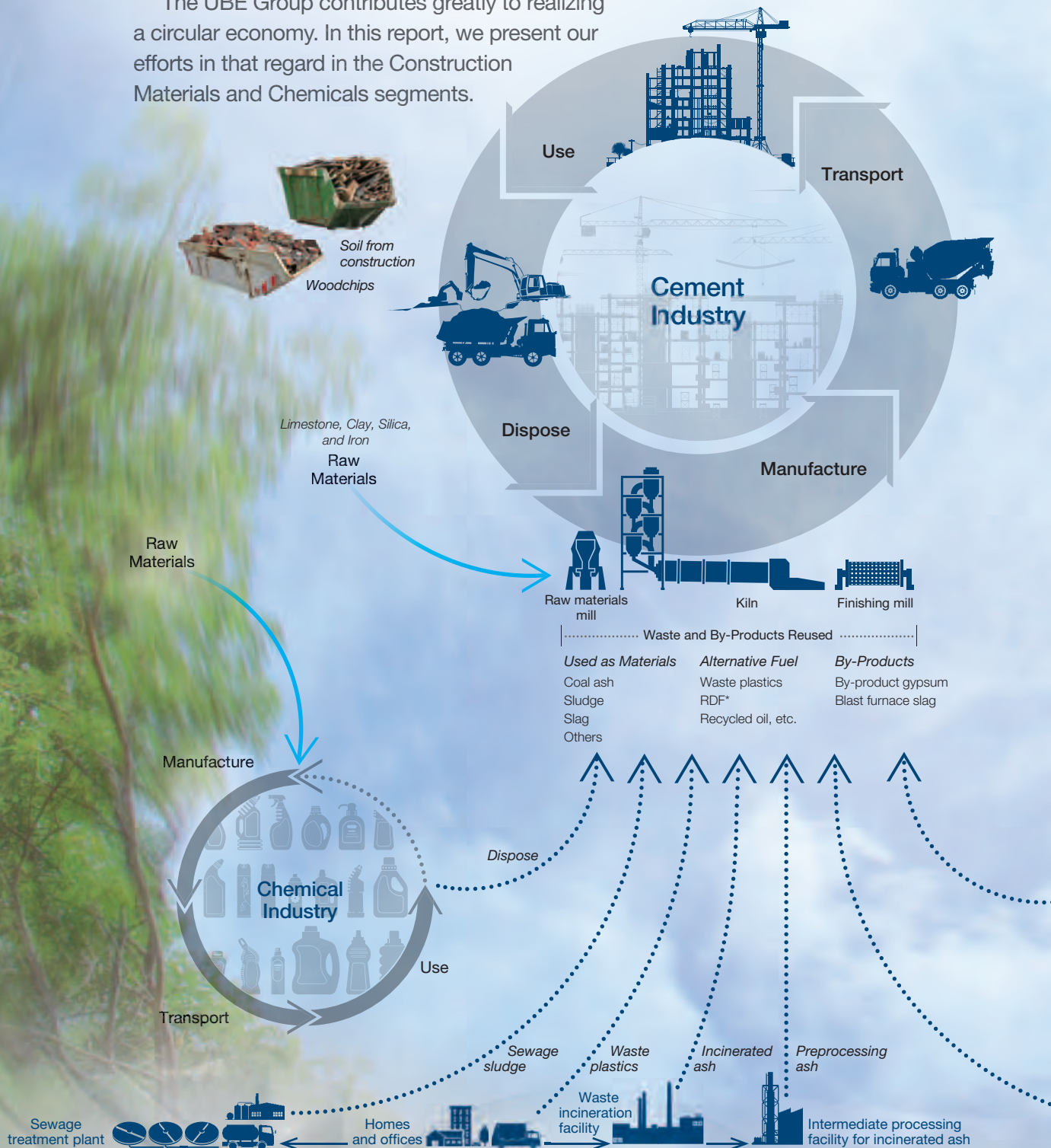
Delivering Value to Society by Contributing to a Circular Economy



Circular Economy

Progress with efforts to tackle environmental issues has heightened social interest in the environmental advantages of a circular economy over those of the “3Rs” (Reduce, Reuse, Recycle). Such an economy circulates resources without producing waste because it positions products and raw materials as new resources. These products and raw materials used to be discarded without use in conventional economic systems, which are about take (mining resources), make (producing), and waste (throwing away).

The UBE Group contributes greatly to realizing a circular economy. In this report, we present our efforts in that regard in the Construction Materials and Chemicals segments.



Glossary

* Refuse-derived fuel (RDF): A solidified fuel made of waste plastics, woodchips, and household waste

Reincarnations as Raw Materials for Cement and Thermal Energy

The ultimate circular economy would recycle raw materials without generating waste. Societies have yet to become fully carbon neutral, however, necessitating huge volumes of new resources and energy to restore materials to their raw states. UBE accordingly uses waste that is hard to recycle as materials or for chemicals as raw materials for valuable cement or as thermal energy alternatives.

Waste is used as raw materials for cement and thermal energy in a kiln at 1,450°C and the ash from incineration is taken for use in cement, thereby no waste is produced. The cement sector is indispensable for realizing a circular economy.

Discarded waste from other industries can also serve as raw materials and thermal energy and support daily living as cement.

Decomposing Composite Plastics to Recover and Reuse Important Elements

We develop a range of technologies in the Chemicals segment to help realize a circular economy. Technologies for tapping CO₂ and waste plastics and bioplastics manufacturing techniques are good examples.

One UBE advantage has been to develop recycling technology for multilayer films that are vital for food packaging.

This is an advanced hybrid recycling technology comprising a technology to recycle chemicals in polyolefin/nylon multilayer films by breaking down the nylon to return it to a monomer state and a material recycling technology to recycle the remaining polyolefin.

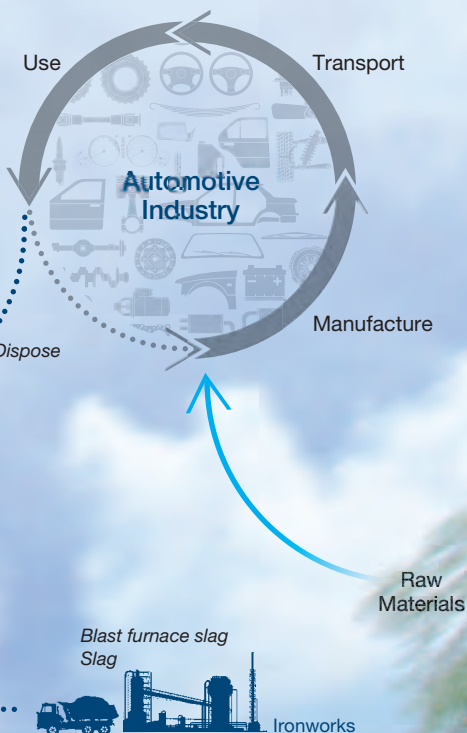
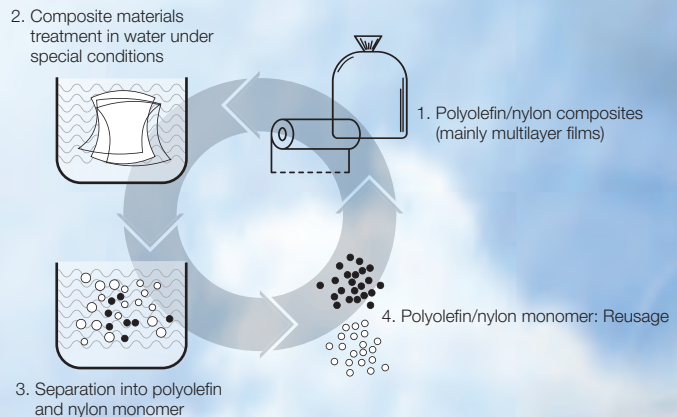
Recycling multilayer films and other composite plastics presents many technical and economic challenges. It is difficult, for example, to separate multiple components, and there is a need to develop innovative technologies.

We seek to help realize a circular economy by pushing ahead with research and applying the knowledge we acquire.

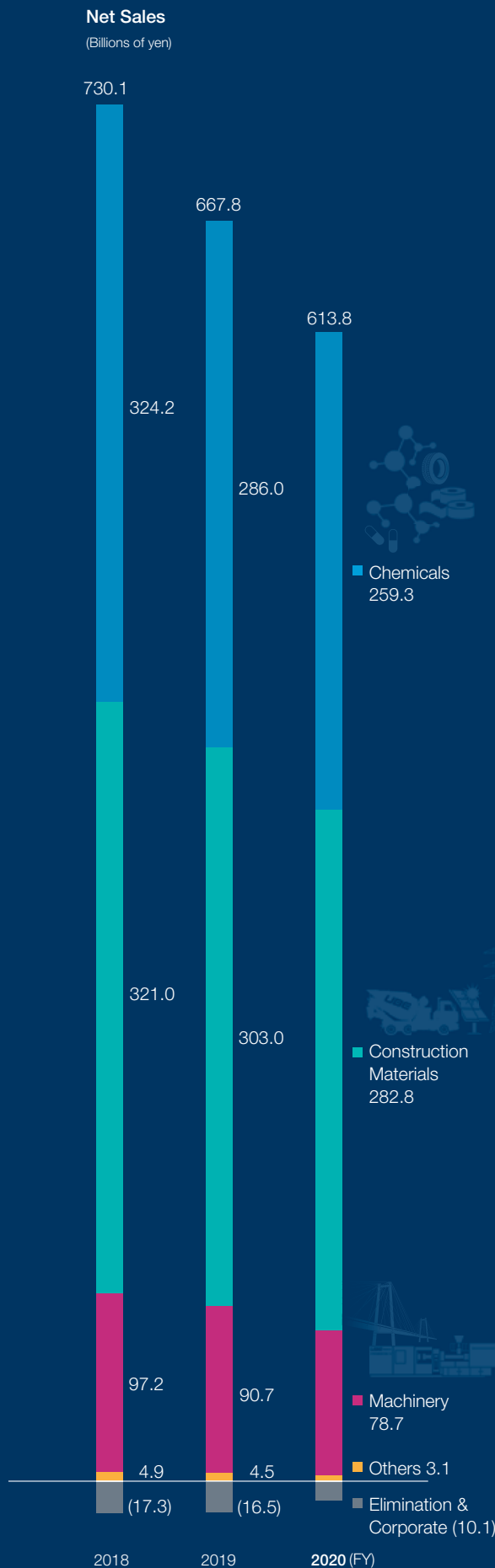


Example of Multilayer Film Recycling

In the Chemicals segment, we are developing a multilayer film recycling technology that is vital for realizing a circular economy.

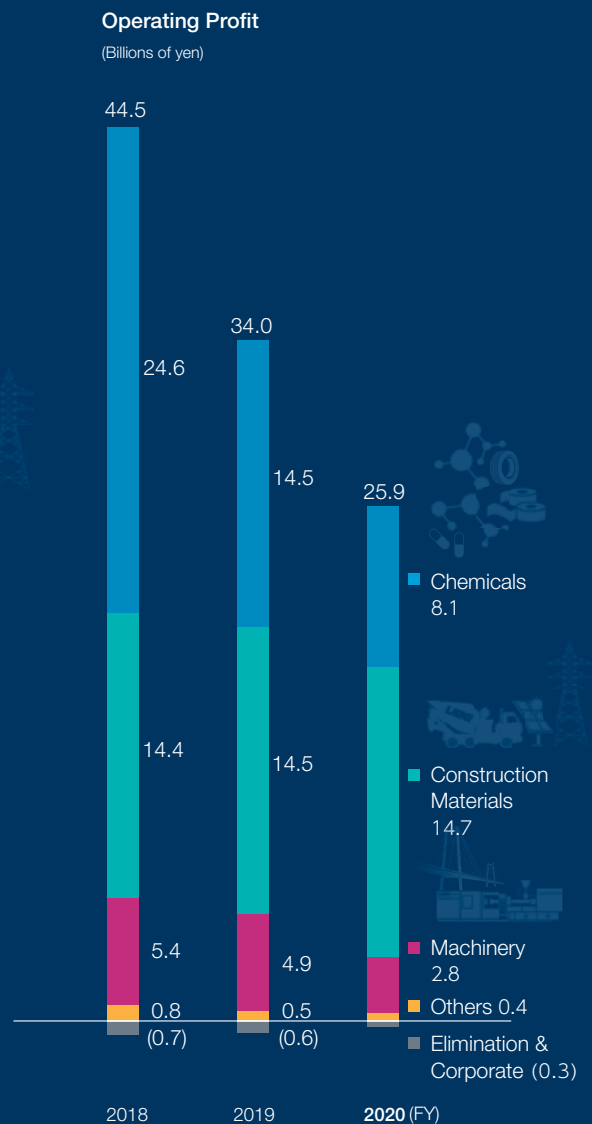


Overview



Consolidated net sales declined in fiscal 2020, reflecting economic stagnation as a result of the COVID-19 pandemic. This situation hit the chemicals and machinery businesses particularly hard, with demand plunging in the first half of the year. Market conditions for chemicals deteriorated. Operating profit and ordinary profit were both down owing to deteriorating chemicals market conditions and scheduled ammonia production plant repairs, offsetting the impacts of lower prices for coal and other thermal energy and savings from controlling expenses. Profit attributable to owners of parent was basically unchanged from a year earlier, one factor being lower tax expenses from a reversal of deferred tax liabilities.

The graphs on this page show consolidated net sales and operating profit.



● **Chemicals** Revenues and earnings **down**

Fiscal Year	Billions of yen			Change from FY2019
	2018	2019	2020	
Sales	¥324.2	¥286.0	¥259.3	(9.3)%
Operating Profit	24.6	14.5	8.1	(43.7)%

Engineering Plastics & Fine Chemicals Businesses

- Caprolactam sales decreased because prices dropped owing to downturns in the markets for benzene and other raw materials because of the pandemic and other factors.
- In nylon, automotive demand recovered in the second half after dropping in the first half as a result of the pandemic. Sales were nonetheless down because of weaker lactam market conditions.
- In industrial chemicals, sales decreased due to a decline in both production and shipments as a result of the implementation of biennial scheduled repairs at the ammonia production plant and other factors.
- Fine chemicals shipments were generally solid but sales were down owing to reduced demand in some automotive applications because of the pandemic.

Engineering plastics & fine chemicals businesses posted lower revenues and earnings overall because of biennial ammonia production plant repairs and decreased prices as a result of the pandemic.

Synthetic Rubber Businesses

- Shipments of tires recovered in the second half of the year after plummeting in the first half because of the pandemic, and revenues and earnings decreased amid product market downturns.

Specialty Products Businesses

- Battery materials business sales decreased due to reduced volumes amid intensifying competition in the Chinese market and lower automotive demand due to the pandemic. We transferred the electrolytes business to an equity-method affiliate in the second half of the year.
- Polyimide business sales were up on steady volumes of COF films for displays and higher varnish volumes for organic electroluminescent panels owing to expanding demand.

Specialty products businesses earnings were up despite lower revenues, reflecting polyimide business contributions.

Pharmaceutical Businesses

- Royalty income from drugs developed by UBE were unchanged from a year earlier, revenues and earnings were down amid decreased

shipments of these offerings and those manufactured under contract.

Chemicals segment revenues and earnings were down overall owing to lower volumes and prices because of the pandemic and other factors, as well as because of a biennial ammonia production plant repairs.

● **Construction Materials** Revenues **down** and earnings **up**

Fiscal Year	Billions of yen			Change from FY2019
	2018	2019	2020	
Sales	¥321.0	¥303.0	¥282.8	(6.7)%
Operating Profit	14.4	14.5	14.7	1.2%

- Sales of cement and ready-mixed concrete increased because of the absorption merger by a consolidated subsidiary of a non-consolidated subsidiary, offsetting the impacts of a public works downturn owing to the pandemic and construction suspensions, primarily by leading general contractors.
- Sales of calcia and magnesia were down from lower volumes for quicklime for steel and magnesia for steel and electric power.
- In the energy business, sales decreased because of declining coal volumes and prices.

Construction materials segment revenues were down while earnings were up. This was because the impacts of lower coal and other thermal energy prices and higher prices for surplus energy greatly offset the impacts of lower volumes for calcia, magnesia, and coal.

● **Machinery** Revenues and earnings **down**

Fiscal Year	Billions of yen			Change from FY2019
	2018	2019	2020	
Sales	¥97.2	¥90.7	¥78.7	(13.3)%
Operating Profit	5.4	4.9	2.8	(42.7)%

- Molding machine sales declined from lackluster automotive industry sales in an adverse operating climate.
- Industrial machinery sales were up amid robust sales of transportation equipment for electric power companies and the impact of chemical equipment operations that UBE took over.
- Steel products business sales were down because of lower volumes, which offset a recovery in unit prices from higher raw materials prices.

Machinery segment revenues and earnings decreased primarily because of sluggish molding machine sales.

Segment Business Strategies



Synthetic rubber

Synthetic Rubber



Principal Products and Businesses

- Synthetic rubber (Butadiene rubber)
Global expansion, primarily for tire applications
Have production sites in Japan, Thailand, Malaysia, and China and have established a complementary production structure

Medium-Term Management Plan Policies

- Fully use facilities capacity through safe and stable production and ensure stable supplies to customers
- Specialization, including grade development
- Boost production and begin manufacturing high-value-added grades in Malaysia

Business Strategies for Fiscal 2021

Demand plunged in the first half of fiscal 2020 owing to the COVID-19 pandemic but has since recovered steadily. We will strengthen collaboration among our four production sites in Japan, Thailand, Malaysia, and China to maintain stable supply while capitalizing on the recovery. We will accordingly launch new vinyl-cis rubber (VCR) brands and pursue specialization for branded footwear.

At the same time, we will further enhance production efficiency while constraining costs down to minimize exposure to volatile market conditions in butadiene, the main raw material.

In fiscal 2021, we will complete a 20,000-metric-ton capacity increase in Malaysia while beginning production of high-value-added grades. We are doing our best to ensure that the start-up is successful.

SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none"> • A globally accepted UBEPOL brand • Extensive product lineup specializing in butadiene rubber and a lineup of proprietary grade VCR 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Regulations in response to issues of global warming and microplastics (tire dust) Countermeasures: Improve fuel efficiency and wear resistance and develop materials that contribute to sustainability
<p>Opportunities</p> <ul style="list-style-type: none"> • Robust relationships with leading global tire manufacturers • Rising expectations for specialization in response to changing customer needs 	<p>Threats</p> <ul style="list-style-type: none"> • Surpluses of key raw material butadiene and oversupplies of butadiene rubber Countermeasures: Cut costs and specialize

UBE Elastomer to Be Established

UBE plans to spin off its synthetic rubber business through a new subsidiary, UBE Elastomer Co., Ltd., effective October 2021. The goal is to reinforce the profitability of that business, which will remain an important part of the Chemicals segment portfolio.

We face challenging times in synthetic rubber and in the petrochemical industry. We are nonetheless determined to build solid business foundations and fulfill our social mission.

ESG-Related Initiatives

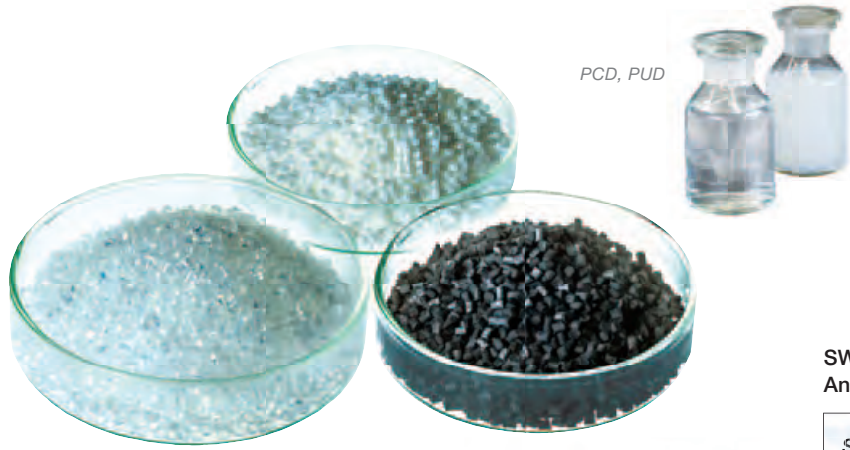
- In view of a growing awareness across society of the need for sustainability, tire manufacturers that are our prime customers have begun seeking ways to conserve energy, extend operating lives, and preserve resources. We will cater to these demands by contributing to overall economic sustainability by developing and supplying synthetic rubber for tires that are more eco-friendly and deliver longer service lives.



Hisaaki Yokoo

Senior Executive Officer
General Manager, Synthetic Rubber Div.

We will make safe and stable operations a top priority and pursue specialization to satisfy customers.



Engineering Plastics & Fine Chemicals



SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none"> Supply product development solutions that contribute to the environment, people, and the economy Diverse products, from chemicals to functional materials, and global operations through major sites in Japan, Thailand, and Spain 	<p>Weaknesses</p> <ul style="list-style-type: none"> GHG emissions from ammonia production using petro-coke as a raw material Countermeasures: Cut greenhouse gas emissions Group-wide and provide products and technologies that help lower those emissions
<p>Opportunities</p> <ul style="list-style-type: none"> Expanding businesses related to Connected, Autonomous, Shared, and Electric (CASE) fields Growing semiconductor demand from digitization Rising food demand amid population growth 	<p>Threats</p> <ul style="list-style-type: none"> Impact on earnings from market entries by emerging countries and intensified price competition Countermeasures: Strengthen competitiveness by cutting costs and stabilizing operations and optimize global production system while pursuing business specialization

Medium-Term Management Plan Policies

- Globally cultivate nylon, composites, fine chemicals, and high-performance coatings businesses
- Stabilize ammonia chain operations and reinforce revenue base

Principal Products and Businesses

- Nylon
- Composites
- Caprolactam, ammonium sulfate
- Industrial chemicals, high-purity chemicals
- Fine chemicals
- High-performance coatings

Business Strategies for Fiscal 2021

In nylon, we will explore optimizing our global polymerization capacity and product lineup to stabilize earnings. In composites, we will consolidate sales and development at the Osaka Research & Development Center and reinforce marketing for the development of high-value-added products. In high-performance coatings, we will globally expand business of polycarbonate diol (PCD) and polyurethane dispersion (PUD). In the C1 chemical chain, we will continue mulling production sites in the United States, Europe, and China that deploy the C1 chemical chain worldwide, centered on dimethyl carbonate (DMC), for which we expect demand to expand as a raw material for lithium-ion battery (LiB) electrolyte, as an eco-friendly solvent, and as a raw material for PCD. We will expand large-crystal ammonium sulfate for fertilizer as a specialty business that

contributes to realization of the Sustainable Development Goals (SDGs) by conducting development across units in Japan, Thailand, and Spain.

We have started exploring process digitization to optimize production, sales, and inventory planning and streamline sales through global data integration.

ESG-Related Initiatives

- We will contribute to a sustainable and prosperous economy through diverse products and services that help lower environmental impact. These include nylon that helps cut food losses in food packaging film, composites for fuel cell vehicle (FCV) hydrogen tanks and for helping lighten automobiles, and large-crystal ammonium sulfate that contributes to sustainable agriculture. Among others are eco-friendly C1 chemical chain and high-performance coatings, and technological development efforts related to the use of CO₂ and recycling.



Yuki Nishida
Managing Executive Officer
General Manager,
Engineering Plastics & Fine Chemicals Div.

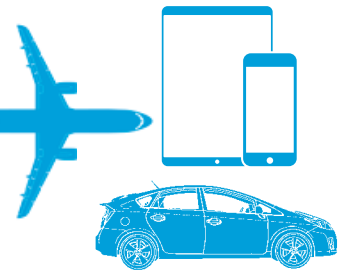
We will formulate a roadmap to specialization and to cutting GHG emissions and begin transforming our business structure.



SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none"> • We maintain a lineup of products in diverse business fields that draw on proprietary raw materials production and processing technologies that have unique characteristics according to their applications including for niche markets. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Our production technology expertise is a key strength in specialty products, but while we have expanded, principally in Japan, our investment returns are deteriorating in some projects. We are considering expanding overseas. • We need to amply consider export control for functional (specialty) products.
<p>Opportunities</p> <ul style="list-style-type: none"> • Demand is rising constantly in electronic components and electronic materials for which we anticipate market expansion, fueling higher performance requirements, and we have ample technological capabilities to cater to such needs. • We offer diverse environmentally friendly products. 	<p>Threats</p> <ul style="list-style-type: none"> • Notwithstanding high barriers to entry for functional products, competition could intensify as markets expand. We are relentlessly developing products that match demand and have distinctive features that set them apart from rival offerings

Specialty Products



Principal Products and Businesses

- Polyimide
- Separation membranes
- Ceramics, boron trichloride, RID (Exhaust gas treatment equipment)
- Tyranno Fiber®
- Battery materials (Separators)

Medium-Term Management Plan Policies

- Expand primarily in high-quality electronic component substrates, organic electroluminescent display materials, and raw materials for semiconductor production that leverage the capabilities of extremely heat-resistant polyimide
- Stably supply polyimide films and varnishes in response to a steadily increasing need for organic electroluminescent display materials
- Expand sales of environmentally friendly products employing proprietary technologies, notably separation membranes and silicon nitride powder
- Design and supply separators matching battery performance requirements to keep pace with rapidly growing demand

Business Strategies for Fiscal 2021

While in fiscal 2020 the COVID-19 pandemic caused automobile production to decline temporarily, affecting our battery materials business, our performance in that area was basically on target, with electronic components driving demand.

In fiscal 2021, we are positioning polyimide as a premier product for electronic components and digitization products. It will be vital to promptly

construct a plant to lift production of biphenyltetracarboxylic dianhydride (BPDA), a raw material. We will keep maximizing supplies by lowering losses in production efficiency and quality. In semiconductors, we will review our production system in response to rising demand for boron trichloride, an etching gas. In environmentally friendly products, we are planning to expand our biofuel purification separation membranes. Over the medium to long terms, we aim to expand the business of fuel cell modules, in which we have a solid record, mainly for larger FCVs, thereby contributing to the environment.

We have pushed ahead with digitizing processes, primarily to bolster our quality control systems. In fiscal 2020, we finished downstream conversions to make factory facilities smarter for some specialty products. We will roll these systems out in the years ahead.

ESG-Related Initiatives

- We will contribute to society by delivering products that help reduce environmental impact. Among them are battery components, motor insulation, heat dissipation substrates, and other functional components for automotive electrification. They also include alternatives to metal for the fuel-efficient aircraft of tomorrow, as well as fuel decarbonization by recovering methane gas from waste.



Keiichi Nagata
 Managing Executive Officer
 General Manager,
 Specialty Products Div.

We will focus on expanding digitization and environmentally friendly products for offerings in specialty areas.

Fifth pharmaceutical plant



SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none"> • Drug discovery research and achievements based on organic synthesis technologies cultivated over the years as a chemicals producer. • Top-shelf API manufacturing capabilities from diverse facilities, equipment, and advanced quality systems. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Declining ability to handle increasing sales volumes and new projects associated with increasing operations at existing facilities. Countermeasures: Vertically launch and efficiently run the fifth pharmaceutical plant.
<p>Opportunities</p> <ul style="list-style-type: none"> • Global growth in the pharmaceutical market amid sophisticated medical needs in developed countries and rising populations and healthcare standards in developing nations. 	<p>Threats</p> <ul style="list-style-type: none"> • Delayed development schedules and pipeline depletion. Countermeasures: Streamline drug discovery research by standardizing development priorities and deploying such new techniques as computational chemistry.

Calblock®



Talion®



Effient®



Eybelis®



Pharmaceuticals

Principal Products and Businesses

- In-house pharmaceuticals (Active ingredients, intermediates)
Talion® (Registered trademark of Mitsubishi Tanabe Pharma Corporation)
Calblock® (Registered trademark of Daiichi Sankyo Company, Limited)
Effient® (Brand name of antiplatelet drug marketed by Daiichi Sankyo Company, Limited, and Eli Lilly and Company)
Eybelis® (Registered trademark of Santen Pharmaceutical Co., Ltd.)
- Contract pharmaceuticals (Active ingredients, intermediates)
APIs and intermediates for pharmaceutical manufacturers

Medium-Term Management Plan Policies

- Generate growth drivers by making the drug discovery pipeline more valuable while expanding drug discovery targets
- Commercialize contract manufacturing of nucleic acid active pharmaceutical ingredients (APIs) for which a new market is emerging
- Secure small-lot (high potency), high-mix projects by reorganizing pharmaceutical plants

Business Strategies for Fiscal 2021

Expected clinical trial delays in some cases among client pharmaceutical manufacturers owing to the impact of the COVID-19 pandemic should not significantly affect earnings in fiscal 2021.

Drug discovery research

We will keep transition phases in research activity in mind in building an efficient drug discovery research system and while swiftly driving research themes to subsequent stages to license out new drugs.

Yoichi Funayama

Executive Officer
General Manager, Pharmaceutical Div., with responsibility for HBM Business Development Project



We will focus on completing our current medium-term management plan while paving the way for growth under the successor initiative.

We will upgrade pharmacological evaluation and adapt to pharmacokinetic guidelines so as to promote theme research more efficiently and effectively.

API manufacturing

In manufacturing existing products, we will manage plants to achieve increased productivity. We will launch the new fifth pharmaceutical plant while augmenting future business expansion, notably by building nucleic acid drug production technology.

At the same time, we will step up efforts to comply with laws and regulations related to pharmaceuticals in Japan and overseas, improve quality assurance, and educate employees. By doing so, we are able to provide products and services continuously that earn the trust of government and customers.

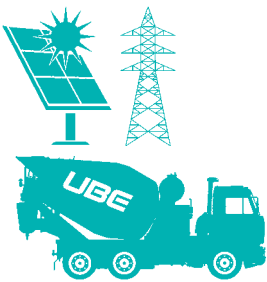
ESG-Related Initiatives

- As well as developing small molecule drugs, which is an existing field, we are expanding R&D in next-generation modalities while developing low-cost, high-quality manufacturing processes for APIs so that we can deliver quality drugs.



SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none"> • We can optimize Group synergies through our diverse Groupwide products and businesses. • We have an infrastructural setup of coal and power supply structure and large port facilities which can be utilized to tap renewable energy in a decarbonized economy. • We can harness a wide range of waste substances and draw on our advanced technical capabilities to conserve resources. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Aging facilities <i>Countermeasures:</i> We will overcome this issue by lowering opportunity losses through formulating long-term facilities maintenance plans and using ICT to consolidate facilities maintenance information.
<p>Opportunities</p> <ul style="list-style-type: none"> • We anticipate demand for cement and solidifiers for redevelopment, the Chuo Shinkansen maglev line, the Osaka Expo, integrated resorts, and other large projects, as well as for disaster prevention and mitigation work. • We must ensure stable supplies of materials that are essential for building social capital and competitive energies. • The integration of our cement and related businesses with those of Mitsubishi Materials should enable us to bolster our profitability. 	<p>Threats</p> <ul style="list-style-type: none"> • Sluggish domestic demand for cement and declining sales of magnesia, calcia, and other offerings <i>Countermeasures:</i> We will tackle this challenge by maintaining and correcting prices and continuing to cultivate new customers while building solid, low-cost operating foundations. We will also cultivate new businesses and add higher value to existing products while swiftly generating synergies after integrating businesses and exploring rationalizations. • Environmental issues <i>Countermeasures:</i> We will first establish a project to combat global warming. Second, we will formulate and roll out a roadmap to carbon neutrality by 2050, notably by deploying energy-saving equipment, increasing our use of fossil-based energy alternatives, and expanding our biomass fuel business. Third, we will broaden our lineup of environmentally friendly products.



Construction Materials

Principal Products and Businesses

- Cement, ready-mixed concrete
- Biomass, industrial waste recycling
- Building materials (Self-leveling materials, waterproofing materials, and renovation)
- Magnesia and calcia
- Fine materials
- Energy (Coal and electricity)

Medium-Term Management Plan Policies

- Strengthen our business infrastructure and cultivate strategic growth businesses
- Create an optimal business management system by integrating the cement and related businesses with those of Mitsubishi Materials
- Become more competitive in a decarbonized economy

Business Strategies for Fiscal 2021

Our construction materials are essential for society. We expect to remain profitable in the years ahead by expanding new businesses on top of stable business foundations. In fiscal 2021, however, we expect domestic demand for cement to rise minimally despite a recovery from the COVID-19 pandemic's impact. This is because of operational and construction delays stemming from labor

shortages and a sluggish recovery in housing demand. We expect steel and automobile production unlikely to return to pre-pandemic levels.

At the same time, the business environment for our core products will likely remain adverse owing to rising energy prices amid tighter supplies and accelerating moves to realize a decarbonized economy.

It is against this backdrop that we will work to respond to the present market demand based on stable production and undertake existing measures. We will also prepare for business integration with Mitsubishi Materials and tackle environmental issues. We will capitalize on changes in the business environment to build solid business foundations for tomorrow.

We will steadily prepare to integrate our cement and related businesses with those of Mitsubishi Materials Corporation while stepping up our responses to global environmental issues and endeavoring to build solid business foundations for the future.

Makoto Koyama

*Representative Director
Senior Managing Executive Officer
Company President,
Construction Materials Company*





Solar power plant

Strengthen business foundations and cultivate strategic growth businesses

We will improve profitability while building a stable operational structure and conserving energy and costs in cement, ready-mixed concrete, magnesia and calcia, and energy operations.

We have positioned fine materials, biomass, and recycling as growth businesses and are pursuing new ideas beyond existing business frameworks to expand by commercializing businesses and generating profits.

- We will cut energy and costs by installing a highly efficient clinker cooler at the Kanda Cement Factory, which should become operational in March 2023. We will set up Phase III waste plastic facilities at the Ube Cement Factory, which will begin operations in October 2021.
- We are deploying Renewal Phase II (covering fiscal 2019–2021) at the Ube Factory of Ube Material Industries to maintain stable operations and deliver high added value for magnesia.
- We are rolling out environmental measures for our coal center and power generation facilities, deploying measures for aging facilities, and improving efficiency to maintain competitive and stable supplies of energy.
- In fine materials, we will strengthen sales and development for MOS-HIGE, magnesium oxysulfate whiskers, while cultivating new projects, lowering costs, and expanding applications.
- In biomass and recycling, we will expand sales of environmental materials, notably by increasing biomass incinerations at IPPs, and are looking to produce Pelletizing Before Torrefaction overseas while creating new recycling operations and expanding sales of such environmental materials as neutral solidification materials and heavy metal immobilizers.

Preparing to integrate operations with those of Mitsubishi Materials

Both companies fully concurred that full integration, including of production units, would be necessary to maintain a competitive edge and to uphold a cycle of investing management

resources in growth areas in a changing business environment.

UBE, Mitsubishi Materials, and UBE-MITSUBISHI CEMENT CORPORATION will continue to explore ways to swiftly optimize synergies by April 2022 of the full integration.

Tackling environmental issues

In April 2020, we launched a project to combat global warming as a cross-company unit run from the new Global Warming Countermeasures Group to steer efforts to conserve energy, convert waste to energy, and use more renewables while helping develop new technologies.

- Install energy-saving facilities and expand the use of fossil energy alternatives to reach our (construction materials) fiscal 2030 target of reducing GHG emissions from fiscal 2013 levels by 15%.
- Expand torrefied pellets, palm kernel shell, and other biomass fuel businesses.
- Broaden range of environmentally friendly products.
- Undertake R&D into low-carbon materials, new fuel usage, carbon dioxide capture and storage with utilization, and other areas.

Finally, fiscal 2021 will be a term in which we complete our medium-term management plan and integrate operations with those of Mitsubishi Materials. We will prepare thoroughly for that move while pushing ahead flexibly and fast with steps to overcome an adverse business climate and build solid underpinnings for the future.

ESG-Related Initiatives

As well as implementing the above measures to combat global warming, we are also taking the following steps to tackle the issue of marine plastic waste, conserve water resources, and preserve biodiversity.

- We are developing materials that enhance the performance of biodegradable plastics while providing agents to enhance water and sediment quality.
- We are endeavoring to greenify former limestone quarries. Since fiscal 2008, we have planted citrus trees, ivy, and other vegetation on the slopes of the Kanda Mine. Since fiscal 2011, we have planted wild cherry trees and round leaf holly on the slopes of the Ube Isa Mine.



SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none"> • We have a robust record in serving the automotive, electric power, cement, steelmaking, and other key sectors, and have earned solid customer reputations for our efforts. • We can draw on numerous domestic and overseas operations to cater to customer needs in everything from development through after-service. • We have large processing facilities and skilled engineers and workers. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Slow to take advantage of ICT because our business is based on manufacturing to order <i>Countermeasures:</i> We have accordingly launched an ICT project to enhance product development and production efficiency.
<p>Opportunities</p> <ul style="list-style-type: none"> • Customer needs and requests are diversifying as target markets globalize. • An extremely responsive global service and support framework is increasingly essential. • There is a growing need for technologies that help lighten the weight of automobiles and contribute to the environmentally friendly product and resource recycling fields. 	<p>Threats</p> <ul style="list-style-type: none"> • A sudden global economic slowdown could drive consolidations in key markets. <i>Countermeasures:</i> We will leverage our strengths to reinforce our competitiveness and lift our presence when demand recovers. • The global economy will remain lackluster owing to the COVID-19 pandemic, delaying a recovery in capital equipment demand and intensifying price and delivery competition. <i>Countermeasures:</i> We will cut product costs and shorten production lead times to secure business opportunities when a recovery materializes.



Machinery

Principal Products and Businesses

- Molding machines (Die-casting machines, extrusion presses, and injection molding machines)
- Industrial machinery (Kilns, vertical mills, transportation systems, water screen equipment, and crushers), bridges, deck machinery, grab buckets
- Machinery services
- Steel products (Billets and castings)
- Control boards

Medium-Term Management Plan Policies

- Develop products and cultivate markets in response to the need for lighter automobiles and the emergence of electric vehicles (EVs) (die-casting machines and extrusion presses)
- Take advantage of business integration to integrate global business management and strengthen overseas sales expansion (injection molding machines)
- Enter new markets for environmentally friendly products and resource recycling (industrial machinery and steel products)
- Reinforce customer support through overseas sites (machinery services and businesses)

Business Strategies for Fiscal 2021

An economic slowdown that started with China—American trade friction and the subsequent pandemic have affected global capital investments. The global business climate remains adverse in the automotive, electric power, cement, steelmaking, shipbuilding, and other key markets for the company, and we expect competition to intensify. We will clarify our outlook for the recovery period and further reinforce our business structure.

Molding Machinery Business

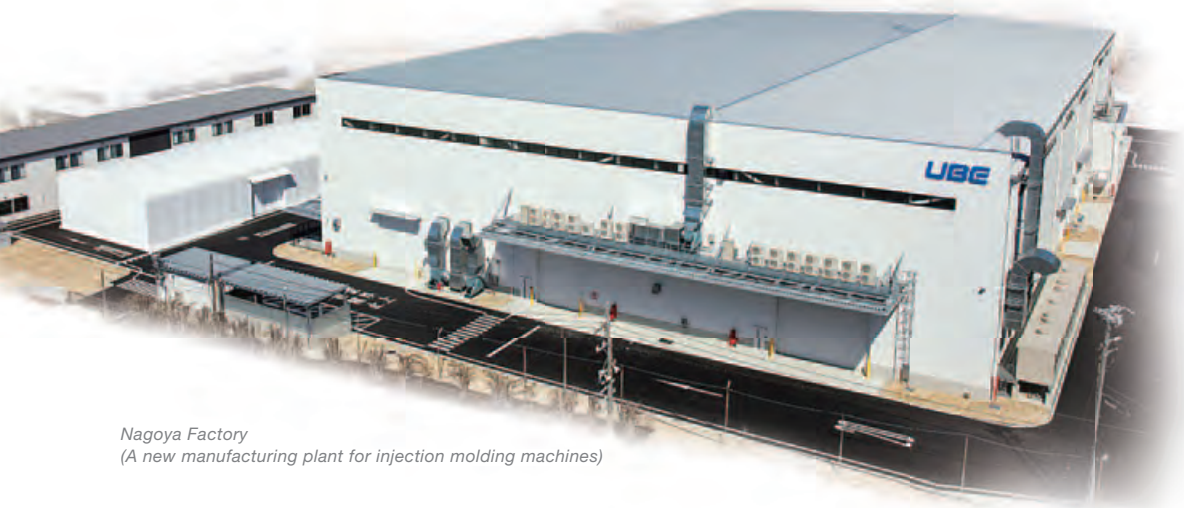
In anticipation of a demand recovery, we will cut costs to be a winner in each product market, shorten production lead times, and focus on developing products that match market needs while strengthening our business structure.

In die-cast machinery, we are developing and launching new products and processes that cater to a fast-growing need for lighter automobiles and vehicle electrification. We are integrating and reorganizing domestic and overseas injection molding



Yukio Hisatsugu
Managing Executive Officer
Company President, Machinery Company

We will urgently establish our infrastructure and reinforce our business structure to materialize our vision.



Nagoya Factory
(A new manufacturing plant for injection molding machines)

machinery business sites. We will also build an integrated and optimal global production structure and thereby streamline operations and reinforce competitiveness while launching new offerings for the global market.

Industrial Machinery Business

In fiscal 2021, we will continue to focus on controlling processes and costs in projects for which we have already received orders, principally from domestic electric power companies. We will accelerate efforts to develop environmental equipment and new products in light of a growing market recognition of a need to becoming more environmentally responsive.

In bridges, we will contribute to sustainable development of infrastructure through proposing of bridges more environmentally friendly and resilient.

Machinery Services Business

In injection molding machines, we will reinforce our capabilities in the United States, China, and elsewhere in Asia by training and hiring more local employees overseas and otherwise strengthening our structure while expanding our parts supply capabilities. In industrial machinery, we will strengthen alliances to bolster services proposal activities overseas, and will strive to expand our business by providing support for the products of other companies. Also, we will push ahead with

services such as providing remote support to construction sites utilizing ICT.

Steel Products Business

We expect the business climate to remain adverse in fiscal 2021 owing to the global economic downturn and excess production capacity. We have accordingly harnessed our manufacturing capacity in specialty, niche, and large offerings in which we have a competitive edge, to keep shifting to an optimal business structure through which we have switched from quantity to quality. We will continue striving to create a stable profit structure.

ESG-Related Initiatives

- Companies in the Machinery segment are focusing on developing products that help protect the environment while providing services that apply to existing facilities.
- In the steel products business, the company completely melts the industrial and medical waste in manufacturing processes, and is endeavoring to make environmental recycling a third core business.



Hayatsuegawa Bridge
(Fukuoka and Saga prefectures)



Theme:
Rising to the

Mari Yoshitaka, Ph.D.
*Deputy General Manager,
Principal Sustainability Strategist
Mitsubishi UFJ Research and Consulting Co., Ltd.*



Yuzuru Yamamoto
*Director
Chairman of the Board*



Masato Izumihara
*President & Representative
Director
CEO*



Challenge of Delivering Sustainable Growth

Companies must play an increasingly important role

in driving sustainable social progress, notably in terms of tackling climate change, contributing to a circular economy, and fostering human resources diversity.

We exchanged views with ESG experts on the UBE Group's stance from ESG investment perspectives and how it should pursue further growth.

ESG Approach

ESG perspectives are vital to investment decision-making. What is ESG investing, and how do you position UBE from ESG perspectives?

Yoshitaka: Funds have poured into ESG investments owing to the COVID-19 pandemic. It is hard to forecast short-term performances. Investors with long-term perspectives have progressed in assessing corporate value by drawing on non-financial information. It is important to disclose risks and business opportunities for future value assessments among ESG investors. UBE has overcome numerous risks over the years, and it has amassed an array of technologies. As such, I think investors have great expectations for the Company. That said, it perhaps doesn't disclose enough for investors.

The Environment

UBE revised its GHG reduction for 2050. It now looks to become carbon neutral by then instead of lowering emissions by 80%. The Company is undertaking a wide range of initiatives to that end, including stepping up efforts to conserve energy, using more renewable energy, and developing CO₂ immobilization technology. It is also striving to increase sales of environmentally friendly products to help the economy overall become carbon neutral.

Yoshitaka: From an investor's point of view, it's easy to draw up growth strategies relating to the environment. It's therefore important to formulate a long-term environmental vision and numerical targets. A good example would be to lift environmentally friendly products to 50% of consolidated net sales. Investors would view management differently if it were to convey a commitment to not just shrinking the Company's carbon footprint but to also setting more challenging goals and innovating to become carbon neutral with a view to products definitely attracting demand if customer attitudes change.

Izumihara: We must both reduce and offset CO₂ emissions to become carbon neutral. I believe the UBE Group's role is to provide solutions for a circular economy and attain carbon neutrality by integrating the technologies it has amassed in its chemicals, construction materials, and machinery businesses. I want to satisfy investor expectations for change and new growth.

The Japanese government's green growth strategy covers areas relating to UBE's business, notably automobiles and storage batteries and carbon and resource recycling. How might the resulting opportunities shape UBE's efforts in environmentally friendly products and technologies, and how would they drive growth?

Izumihara: Each of our businesses offers numerous products and technologies that contribute to the environment, including the reducing of CO₂ emissions. In the chemicals business, we provide synthetic rubber for eco-friendly tires, nylon composites that help lighten automobiles, and LiB materials for EVs. There is biomass from our construction materials business. Our machinery business offers energy-saving injection molding machines. Being environmentally responsive is itself a growth strategy. We will accordingly generate sustainable growth by contributing to the environment, such as by switching our chemicals business focus from commodity to specialty offerings.

Yamamoto: You can't avoid environmental issues, and staying a step ahead of the crowd in tackling them will create value. Our environmentally friendly products will naturally increase as a proportion of sales, although it is important to accelerate that rise.

Yoshitaka: Investors compare companies in the same industries to determine which will grow faster than others. So, I think it would be easier to state that you are indeed ahead of the times. Investors track Scope 3 CO₂ emissions. Your environmentally friendly offerings should help reduce such emissions, and I think you should also highlight this to investors.

Mari Yoshitaka, Ph.D.

Profile

Ms. Yoshitaka previously worked for an IT company and investment bank in the United States. She later joined the World Bank Group's International Finance Corporation, performing social impact studies for environmental projects in developing nations and conducting environmental enterprise research for launching Japan's first eco-fund.

In 2000, she joined Mitsubishi UFJ Morgan Stanley Securities (former Tokyo-Mitsubishi Securities Co., Ltd.) to establish the Clean Energy Finance Division. She has been engaged in environmental financial consulting for many years, focusing on climate change. She took up her current position in May 2020.

Ms. Yoshitaka conducts research, advises, and lectures on SDG businesses and ESG investments for government ministries and agencies, institutional investors, and corporations. She is a member of the Financial Services Agency's Expert Panel on Sustainable Finance.

Izumihara: We have to overcome a lot of cost hurdles, notably being to develop CO₂ immobilization technology. We're nonetheless continuing R&D because we know our efforts will lead ultimately to innovation.

Yoshitaka: R&D is the best kind of non-financial information. Proactive disclosure enables a company to begin engaging with investors, fostering anticipation.

Sustainable Growth

How should UBE go about convincing investors that it will grow sustainably, including from SDG perspectives?

Yoshitaka: ESG investors base corporate sustainability assessments on whether managements can respond flexibly and decisively to a range of changes. The first focus is on risk information. Investors would want companies with heavy CO₂ emissions to evaluate and disclose the financial impacts of carbon pricing. Companies need to balance disclosure of opportunities and risks.

Each of the 17 SDGs is inter-related, but no company can resolve all of them by itself. I'd like UBE to explain simply which SDGs its chemicals, construction materials, and machinery businesses will help reach. People are vital for sustainability. The SDGs can also be vehicles for communicating with young people, who are more interested in them, so talented individuals will find the Company attractive. I think it's very meaningful for companies to increase engagement by making SDGs relevant.

Izumihara: Our website discloses our SDG efforts. I believe young people these days are more interested than ever in helping make the world a better place, including through their career choices.

UBE and Mitsubishi Materials Corporation will integrate their construction materials businesses in 2022. What makes this move significant?

Yamamoto: UBE was established during World War II and grew thereafter. The cement and chemicals businesses were previously separate companies. The operating environment has changed, and our businesses are moving in different directions. We will thus integrate our construction materials business with that of Mitsubishi Materials to become carbon neutral as the second-biggest player in that field, with UBE turning the tiller to become a specialist chemicals company.

Izumihara: In 1998, when we integrated sales and

logistics units to form UBE-MITSUBISHI CEMENT CORPORATION, domestic cement demand exceeded 70 million metric tons. By 2020, demand dropped below 39 million metric tons, one factor being the COVID-19 pandemic. By merging the domestic cement units of UBE and Mitsubishi Materials we will strengthen operations, including downstream, and concentrate newly available resources on growth businesses.

Yoshitaka: Thanks for the explanation. It was very easy to understand.

What carbon neutrality and circular economy benefits should accrue from integrating the cement business?

Izumihara: I believe we can progress by combining the environmental technologies of the cement businesses of both companies. The cement industry is a huge vein industry. As a vital artery, it contributes much to strengthening social infrastructure and making the nation more resilient. As a vital vein, this industry employs diverse waste materials in manufacturing processes. Life goes on even during the pandemic, with people continuing to generate waste. So, you cannot stop the vein that processes this waste. The cement industry's prime mission in all this is to serve society.

Yamamoto: Our cement manufacturing processes incorporate and process waste, producing no waste. This industry is extremely valuable in that sense because it is the last bastion of the economy.

Yoshitaka: The "3Rs" (Reduce, Reuse, Recycle) is a widely known concept. But a circular economy is about making most of the limited resources without disposing of them. I think it's important that discussions position the cement business from circular economy perspectives.

In the chemicals business, your R&D has led to breakthroughs in recycling waste plastics. How well have you done from circular economy perspectives?

Yoshitaka: Cutting CO₂ emissions isn't a great challenge in Europe, as renewable energy has gone mainstream because of its low costs. Materials innovation is more of a challenge from circular economy perspectives. I think that's one of UBE's greatest advantages. What's your view about plastics in that respect?

Izumihara: We are also undertaking R&D in bioplastics and waste plastic usage. You'll find that UBE's nylon in multilayer films that preserve foods

and serve as gas barriers are helping to reduce food waste. The downside is that multilayer film recovery is tough, so we're developing technology to recover films as monomers. There is an issue of the extent to which society will accept the costs. Still, as a plastics manufacturer we've taken on the responsibility of working on complete life cycles, which include disposal.

The UBE Group has continued to grow over the past 124 years by addressing changes in the business climate and transforming its business structure. What will be UBE's raison d'être as it pushes ahead with specialization?

Yamamoto: Times are changing. We're transferring our construction materials business to a joint venture company, and our chemicals business will focus on specialty offerings. People underscore all we do. We've come this far because our people have kept faithful to our corporate philosophy of pursuing technology and embracing innovation to create value for the future. I believe we will remain important in the years ahead by continuing to innovate value that society needs.

Izumihara: The environment, human life and health, and the digitization of processes in society are keys to growth, and it's important for us to contribute to progress in all those respects. Our technological prowess underpins our capabilities. In some cases, we may shift somewhat away from manufacturing based on technology, but I think that's acceptable.

Yoshitaka: I think that's a very important message. Few executives in Japan so clearly state that a manufacturer doesn't always have to make things. Backed by solid technological capabilities, you can make a clear picture of the future regarding changes in the society.

Corporate Governance and Human Resources

How do you assess UBE's efforts in areas outside the environment?

Yoshitaka: Environment and social efforts are about understanding future risks and opportunities. Governance is about identifying current risks. UBE's governance seems solid. Still, investors increasingly demand more sophisticated governance, so you need to respond accordingly.

Yamamoto: Investors may find it hard to grasp UBE's realities if we only disclose information based on the Corporate Governance Code.

In December 2020, I joined with all of our outside directors in conducting an engagement session for investors. They were quite appreciative, saying that we were the first as a materials manufacturer to provide such an opportunity. They thought that our Board of Directors functions effectively.

Yoshitaka: Participants were impressed with UBE's willingness to engage in dialogue and held the efforts of its outside directors in high regard. ESG investors consider a lack of gender diversity among Japanese companies to be a risk. Figures demonstrate that companies with greater diversity tend to innovate more and offer superior growth potential. So, I would like to see UBE be more proactive, such as by more readily appointing female executives.

Izumihara: Women account for low proportions of employees and management at UBE. We are in the process of hiring more women. Increasing the number of female executives and deploying training programs for them is an urgent priority.

ESG Expectations

What would you like to see from UBE's ESG initiatives?

Yoshitaka: I would like to see UBE proactively disseminate what stakeholders expect from it, notably in terms of its raison d'être. Investors are moving extremely fast in the climate change and carbon-neutrality arenas, so I think you would do well to be the first in your industry to disclose your commitment to the TCFD and the financial impacts.

Conclusion

Izumihara: Safeguarding the environment and pursuing growth are not necessarily mutually exclusive. It's a top priority for management to tackle both challenges. We will do more to disclose how we will address issues.

Yamamoto: As a Board member, I will keep tabs on whether the management team is moving in the right direction fast enough. Thank you very much for today's discussion.



Corporate Governance Overview

Organizational structure	Company with Audit & Supervisory Committee
Chairman of the Board of Directors ^{Note}	Yuzuru Yamamoto
Number of directors (excluding members of the Audit & Supervisory Committee) ^{Note}	6 (of which 2 are outside directors)
Number of directors in the Audit & Supervisory Committee ^{Note}	3 (of which 2 are outside directors)
Independent officers appointed ^{Note}	4 outside directors
Determination of compensation for each director (excluding members of the Audit & Supervisory Committee and outside directors)	<ul style="list-style-type: none"> • Compensation consists of base compensation and performance-linked compensation (annual and long-term incentives). • Total compensation for the year ended March 31, 2021: ¥238 million (base compensation: ¥123 million; performance-linked compensation: ¥115 million)
Determination of compensation for each director in the Audit & Supervisory Committee (excluding outside directors)	<ul style="list-style-type: none"> • Compensation consists of base compensation (fixed compensation). • Total compensation for the year ended March 31, 2021: ¥38 million (fixed compensation: ¥38 million)
Determination of compensation for each outside director (excluding members of the Audit & Supervisory Committee) (Independent officers)	<ul style="list-style-type: none"> • Compensation consists of base compensation (fixed compensation). • Total compensation for the year ended March 31, 2021: ¥24 million (fixed compensation: ¥24 million)
Determination of compensation for each outside director in the Audit & Supervisory Committee (Independent officers)	<ul style="list-style-type: none"> • Compensation consists of base compensation (fixed compensation). • Total compensation for the year ended March 31, 2021: ¥28 million (fixed compensation: ¥28 million)
Independent auditors	Ernst & Young ShinNihon LLC

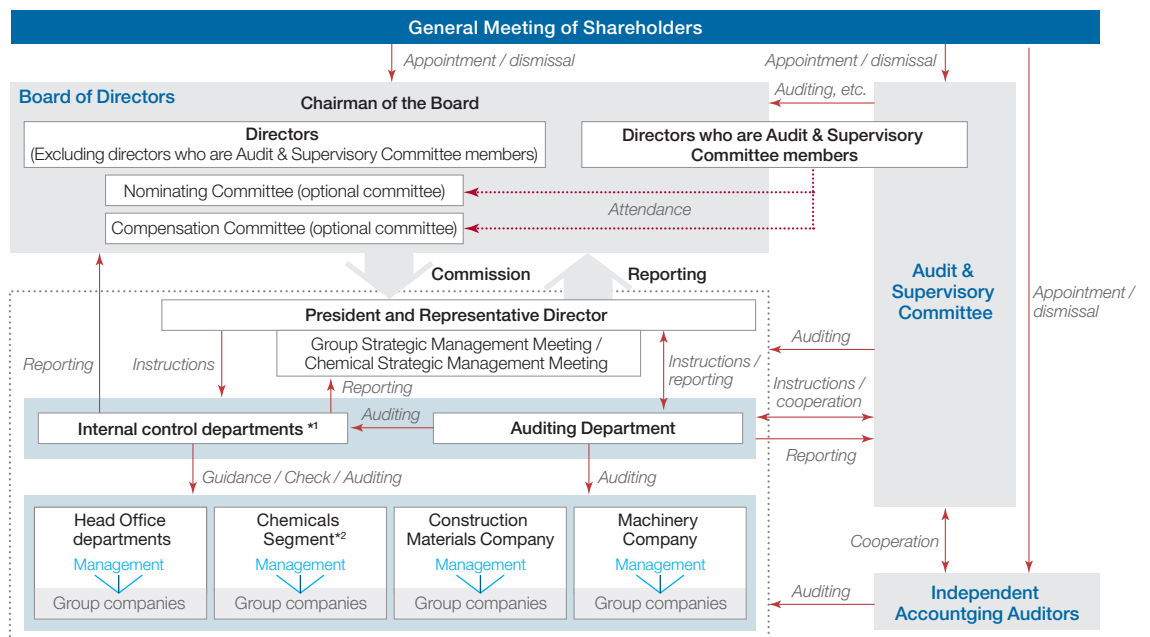
Note: From the end of the 114th Ordinary General Meeting of Shareholders held on June 26, 2020 to March 31, 2021

Corporate Governance

The UBE Group’s fundamental mission is to achieve sustainable growth and increase the corporate value of the Group over the long term. As a Company with Audit & Supervisory Committee, we accordingly created a structure in which directors in the Audit & Supervisory Committee with rights to audit and state their opinions at the General Meeting of Shareholders can vote in Board of Directors’ meetings, strengthening the Board’s

supervision of business execution, and delegating important business implementation decisions to the President and Representative Director. We consider it important to maintain appropriate business activities and fulfill our duties toward and gain the trust of all stakeholders, including shareholders, customers, business partners, employees, and communities, as well as shareholders, by creating an effective corporate governance, including to accelerate business execution.

Overview of Corporate Governance and Internal Control



*1 Internal control departments: Working Committees (Compliance, Restricted Cargo and Export Management, Information Security, and Crisis Management), Head Office Departments Working on Internal Control
 *2 Chemicals Segment: Synthetic Rubber, Engineering Plastics & Fine Chemicals, Specialty Products, Pharmaceuticals, Production, and Research & Development Division

Directors



Yuzuru Yamamoto
Director
Chairman of the Board



Masato Izumihara
President & Representative Director
CEO



Makoto Koyama
Representative Director



Masayuki Fujii
Director
CFO



Keikou Terui
Outside Director



Tetsuro Higashi
Outside Director



Atsushi Yamamoto
Director
Member of the Audit &
Supervisory Committee



Takashi Shoda
Outside Director
Member of the Audit &
Supervisory Committee

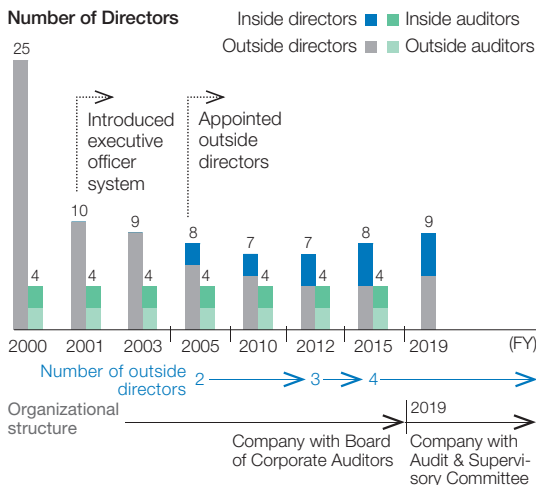


Tadahiko Fukuhara
Outside Director
Member of the Audit &
Supervisory Committee

Board of Directors

In principle, a director who does not serve concurrently as an executive officer serves as Chairman of the Board of Directors. The Board of Directors makes decisions about important management issues in accordance with laws, regulations, the

Company's Articles of Incorporation, and the rules of the Board of Directors, and also supervises directors and executive officers to ensure they are performing their duties appropriately and efficiently. As a Company with Audit & Supervisory Committee, we will accelerate operational execution by delegating decision-making on important operations to the President and CEO while consistently reinforcing supervision.



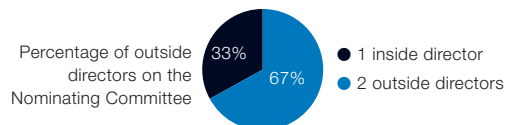
Audit & Supervisory Committee

The Audit & Supervisory Committee monitors and verifies the establishment and operations of internal control systems and supervises directors and others executing business in line with laws and regulations and committee regulations. In addition to cooperating with the Auditing Department and Independent Auditors, the committee also exchanges views with the President and CEO, audits executive directors, executive officers, and business divisions, including subsidiaries, and the Internal Control Department, and expresses opinions as needed. Outside directors in the

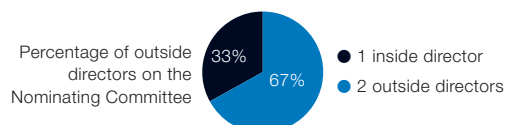
committee attend Nominating Committee and Compensation Committee meetings to confirm details and procedures and supervise selections and dismissals of directors (excluding those on the committee) and their remuneration.

Audit & Supervisory Committee	Takashi Shoda (Chairman)	Outside Director
	Tadahiko Fukuhara	Outside Director
	Atsushi Yamamoto	Director

Nominating Committee	Keikou Terui (Chairman)	Outside Director
	Tetsuro Higashi	Outside Director
	Yuzuru Yamamoto	Chairman of the Board



Compensation Committee	Tetsuro Higashi (Chairman)	Outside Director
	Keikou Terui	Outside Director
	Yuzuru Yamamoto	Chairman of the Board



Directors' Attendance at Board Meetings and Committees

From April 1, 2020 to March 31, 2021

	Name	Board of Directors	Audit & Supervisory Committee	Nominating Committee	Compensation Committee
Directors	Yuzuru Yamamoto	13/13 (100%)		2/2 (100%)	4/4 (100%)
	Masato Izumihara	13/13 (100%)			
	Makoto Koyama	13/13 (100%)		2/2 (100%)	4/4 (100%)
	Masayuki Fujii	13/13 (100%)			
Outside Directors	Keikou Terui	13/13 (100%)		2/2 (100%)	4/4 (100%)
	Tetsuro Higashi	13/13 (100%)		2/2 (100%)	4/4 (100%)
Director, Member of the Audit & Supervisory Committee	Atsushi Yamamoto	13/13 (100%)	14/14 (100%)		
Outside Directors, Members of the Audit & Supervisory Committee	Seiichi Ochiai	13/13 (100%)	14/14 (100%)		
	Takashi Shoda	13/13 (100%)	14/14 (100%)		

Skills Matrix for Directors

Directors (excluding members of the Audit & Supervisory Committee)

Name	General Management / Business Strategy	Finance / Accounting	Manufacturing / Technology / R&D	Sales / Marketing	Compliance / Risk Management	Human Resource Management	Internationalization
Yuzuru Yamamoto	●		●		●		
Masato Izumihara	●	●		●			
Makoto Koyama	●		●	●			
Masayuki Fujii	●	●					●
Keikou Terui	●		●		●		
Tetsuro Higashi	●			●			●

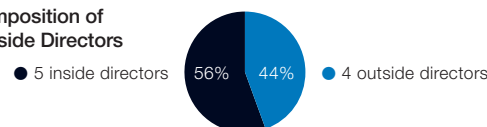
Directors on the Audit & Supervisory Committee

Name	General Management / Business Strategy	Finance / Accounting	Manufacturing / Technology / R&D	Sales / Marketing	Compliance / Risk Management	Human Resource Management	Internationalization
Atsushi Yamamoto	●				●	●	
Takashi Shoda	●		●				●
Tadahiko Fukuhara	●				●	●	

Outside Directors

UBE has appointed outside directors to add independent, third-party viewpoints to the decision-making process and to the monitoring of management to ensure efficiency, transparency, and objectivity from June 2005. In addition, UBE employs a Nominating Committee and Compensation Committee that report to the Board of Directors. Each comprises three members—two outside directors (excluding members of the Audit & Supervisory Committee) and one non-executive director (Chairman of the Board)—and is chaired by an outside director.

Composition of Outside Directors



Effectiveness Assessment of the Board of Directors

Each year, we convene the Evaluation Meeting for Effectiveness of the Board of Directors for deliberations based on a self-assessment questionnaire. Meeting participants are outside and non-executive directors. The Board of Directors receives and assesses a report on those discussions.

The Board of Directors accordingly determined that it had functioned effectively in fiscal 2020. It also found that this entity's composition and operations were appropriate and that it had engaged in vigorous debate and deliberations.

After transitioning to a Company with Audit & Supervisory Committee structure in June 2019, we gradually expanded the scope of delegating decision-making on business execution. The Board concluded that it had strengthened management oversight effectively.

Director and Executive Officer Remuneration

On March 30, 2021, the Board of Directors resolved its policy for determining remuneration



for directors (excluding members of the Audit & Supervisory Committee). This was in response to the revised Companies Act that went into effect on March 1, 2021. Please see the 115th Securities Report for details.

https://www.ube-ind.co.jp/ube/jp/ir/ir_library/securities_report/index.html (in Japanese only)

Ratios of Base Compensation and Annual and Long-Term Incentives of Director (excluding members of the Audit & Supervisory Committee and outside directors) and Executive Officer Remuneration^{Note}



Evaluations for long-term and annual incentives also encompass ESG-related initiatives.

Note: The ratios of annual incentives for the President and the Chairman are higher, and base compensation lower, compared to those for other directors and executive officers.

A: Outline of director and executive officer remuneration

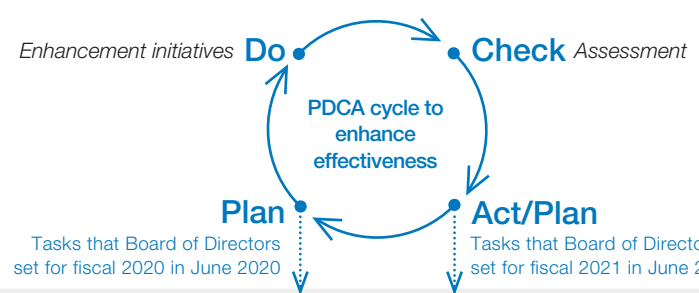
- (a) The remuneration structure for directors (excluding directors who are also members of the Audit & Supervisory Committee and outside directors who are not members of the committee) and executive officers at UBE consists of (1) base compensation (fixed compensation), (2) an annual incentive (Companywide performance-linked compensation and annual individual target-based compensation), and (3) long-term incentives (medium- to long-term individual target-based compensation and stock options).
- (b) UBE uses consolidated ordinary profit as the benchmark for Companywide performance-linked remuneration and multiplies it by the coefficient for each position (Consolidated ordinary profit x Coefficient for each position). The annual targets that each executive officer sets (including to attain basic targets, reinforce four safety and compliance initiatives, overhaul the quality assurance structure, and implement each business issues) are indicators for evaluating remuneration for reaching annual individual performance targets. Indicators for evaluating

individuals' achievement of medium- and long-term performance goals are based on the medium- and long-term goals that each executive sets. These are notably to bolster human resources management, implement ongoing efforts to tackle environmental issues, reinforce governance, and reform the corporate culture. Remuneration amounts for the evaluation of the achievement of annual individual performance targets and medium- to long-term individual performance targets are according to achievement levels for each indicator.

- (c) The ratios of base compensation and annual and long-term incentives are set to allocate approximately 50% for base compensation, 30% for annual incentives, and 20% for long-term incentives. The ratios of annual incentives for the President and the Chairman are higher, and base compensation lower, compared to those for other directors and executive officers.

About the Effectiveness Assessment of the Board of Directors

The Company distributes questionnaires to all directors about the effectiveness of the Board of Directors. Based on the findings, the Board of Directors makes resolutions in light of discussions in the Evaluation Meeting for Effectiveness of the Board of Directors, including the contents included in the Corporate Governance Report. We will further enhance our plan-do-check-act (PDCA) cycle and endeavor to make it more effective.



Look to expand the scope of delegation to the President and Representative Director for decision-making on important business matters	<ul style="list-style-type: none"> ● Expanding Scope of Delegation 	<ul style="list-style-type: none"> ● Keep exploring the further expansion of the scope of delegating decision-making on important business matters to the President and Representative Director to enhance discussions on management strategies and other important matters
Enhance deliberations about the Group's medium- and long-term management strategies and key management issues, and strengthen monitoring of implementation of initiatives	<ul style="list-style-type: none"> ● Medium- to Long-Term Management Strategy 	<ul style="list-style-type: none"> ● Through formulating the next medium-term management plan, enhance deliberations about key medium- and long-term management issues and specific approaches to resolving these issues and the suitability of measures, and strengthen monitoring of implementation of initiatives
Continue to monitor the effectiveness of systematic risk management efforts across the Group and boost and monitor the effectiveness of internal control systems	<ul style="list-style-type: none"> ● Group Management 	<ul style="list-style-type: none"> ● Keep improving internal control and risk management systems for the Group overall and strengthen effectiveness oversight
	<ul style="list-style-type: none"> ● Diversity 	<ul style="list-style-type: none"> ● Consider and act on efforts to make the Board of Directors more diverse

- (d) Directors who are also members of the Audit & Supervisory Committee and outside directors who are not members of the committee receive fixed, base compensation only.
- (e) The objective validity of standards for director and executive officer remuneration is confirmed by constantly referring to remuneration study data from external research institutions and by making comparisons with levels at major manufacturers of similar sizes and in comparable industries.

B: Procedure to determine director and executive officer remuneration

The amount of compensation for each director (excluding members of the Audit & Supervisory Committee) and executive officer will be deliberated by the Compensation Committee, which reports to the Board of Directors and is chaired by an outside director and a majority of which is comprised of outside directors. After reviewing compensation, the committee forwards its recommendations and findings to the Board of Directors for a decision. The compensation of directors who are also members of the Audit & Supervisory Committee shall be decided through deliberations of members of the Audit & Supervisory Committee.

Procedure to Determine Director (excluding members of the Audit & Supervisory Committee) and Executive Officer Remuneration



Investor Relations



Directors and Executive Officers (As of June 29, 2021)

Directors

Yuzuru Yamamoto	Masato Izumihara <i>Representative Director</i>	Makoto Koyama <i>Representative Director</i>
Masayuki Fujii	Keikou Terui <i>Outside and independent</i>	Tetsuro Higashi <i>Outside and independent</i>
Member of the Audit & Supervisory Committee Atsushi Yamamoto	Member of the Audit & Supervisory Committee Takashi Shoda <i>Outside and independent</i>	Member of the Audit & Supervisory Committee Tadahiko Fukuhara <i>Outside and independent</i>

Executive Officers

<i>President & Executive Officer</i>	Masato Izumihara		
<i>Senior Managing Executive Officers</i>	Makoto Koyama	Hideo Tamada	
<i>Managing Executive Officers</i>	Yukio Hisatsugu	Genji Koga	Masayuki Fujii
	Yuki Nishida	Keiichi Nagata	
<i>Senior Executive Officers</i>	Hiroshi Nishida	Hidetsune Miura	Yoshiaki Ito
	Yuzo Hanamoto	Hisaaki Yokoo	Masayoshi Ota
<i>Executive Officers</i>	Masarou Suehiro	Bruno de Bièvre	
	Shigeru Ouchi	Mitsuo Ono	Hironori Miyauchi
	Watchara Pattananijirundorn	Hiroaki Kojima	
	Yoichi Funayama	Futoshi Takase	

Executive Officers

UBE has been using an executive officer system to separate supervision and business execution since June 2001. The President and CEO delegates authority to executive officers, who perform their duties based on management policies decided by the Board of Directors.

General Meeting of Shareholders and Exercise of Voting Rights

The Notice of Convocation is sent out three weeks prior to the General Meeting of Shareholders, but its contents are posted on the UBE Group's website earlier. UBE provides access to mobile phone and internet voting in addition to voting by mail so that shareholders unable to attend can also exercise their voting rights. UBE also uses an electronic voting platform for institutional investors.

At the General Meeting of Shareholders held on June 26, 2020, a total of 15,491 shareholders exercised their voting rights (including 15,460 shareholders who exercised voting rights in writing and via the internet), representing 80.9% of total voting rights.

Engagement with Shareholders

Two-Way Communication through IR Activities

Principal IR activities in fiscal 2020 are listed below. The UBE Group conducts IR activities with the goal of timely, accurate, and fair disclosure, and believes that proactive communication and engagement with investors enhances corporate value.

- Earnings briefing for institutional investors and securities analysts (after main briefing)
 - Telephone conference for institutional investors and securities analysts (held quarterly)
 - Overseas IR (individual visits to and teleconferences with overseas investors four times annually to Europe, the United States, Asia, and Australia*)
 - * These were teleconferences following the COVID-19 outbreak.
 - A small meeting by the President and CEO (one time)
 - Engagement meetings between outside directors and the Chairman of the Board of Directors and institutional investors (one time)
 - Individual meetings with institutional investors and securities analysts (about 200 times per year)
- In fiscal 2020, we held the first engagement meeting between outside directors and the Chairman of the Board of Directors and institutional investors. Feedback was favorable from participants, who noted that the gathering was the first of its kind in a materials sector and that it demonstrated that the views of outside directors and institutional investors were aligned.

Detailed information is available in the Investor Relations section of the UBE Group's website:

<https://www.ube-ind.co.jp/ube/en/ir/>

Outside Directors

Outside Director Keikou Terui

- 1979 Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry (METI))
- 2008 Director-General for Technology Policy Coordination, Minister's Secretariat, METI
- 2011 Director-General, Kanto Bureau of Economy, Trade and Industry, METI
- 2012 Director-General for Regional Economic and Industrial Policy, METI
- 2013 President, Japan Utility Telemetering Association. Non-Profit Organization (current position)
- 2014 Outside Director of the Company (current position)
- 2016 Outside Director, Bridgestone Corporation (current position)
Outside Director, Organo Corporation (current position)
- 2020 Senior Director, Japan Chemical Innovation and Inspection Institute (current position)

Outside Director Tetsuro Higashi

- 1977 Joined Tokyo Electron Limited
- 1990 Director, Tokyo Electron Limited
- 1996 Representative Director, President of Tokyo Electron Limited
- 2003 Representative Director, Chairman of the Board of Tokyo Electron Limited
- 2012 Outside Director of the Company Resigned (June 2014)
- 2013 Representative Director, Chairman and President of Tokyo Electron Limited
- 2018 Outside Director, Seven & i Holdings Co., Ltd. (current position)
- 2019 Outside Director, Nomura Real Estate Holdings, Inc. (current position)
Outside Director of the Company (current position)

Outside Director and Member of the Audit & Supervisory Committee Takashi Shoda

- 1972 Joined Sankyo Co., Ltd.
- 2001 Director, Sankyo Co., Ltd.
- 2003 President and Representative Director, Sankyo Co., Ltd.
- 2005 President & CEO, and Representative Director, Daiichi Sankyo Co., Ltd.
- 2010 Representative Director and Chairman, Daiichi Sankyo Co., Ltd.
- 2014 Senior Corporate Adviser, Daiichi Sankyo Co., Ltd.
- 2015 Outside Director of the Company
- 2017 Outside Director, Daito Trust Construction Co., Ltd. (current position)
- 2019 Outside Director and member of the Audit & Supervisory Committee of the Company (current position)
Outside Director, RIKEN Innovation Co., Ltd. (current position)

Outside Director and Member of the Audit & Supervisory Committee Tadahiko Fukuhara

- 1995 Professor of Faculty of Law, Chuo University
- 2004 Professor of The Chuo Law School (current position)
Registered as an attorney (Tokyo Bar Association) (current position)
- 2009 Director, The Investment Trusts Association (current position)
- 2010 Chairman of Japan Payment Service Association (current position)
- 2011 President of Chuo University (resigned in 2014)
- 2017 Outside Director, The Kyoei Fire and Marine Insurance Company, Limited (current position)
- 2018 President of Chuo University (resigned in 2021)
- 2018 Outside Director, INES Corporation (current position)
- 2021 Outside Director and member of the Audit & Supervisory Committee of the Company (current position)

Internal Control System

The Board of Directors has resolved the basic policies for the configuration of the UBE Group's internal control system.

Detailed information on the Basic Policy for Establishing Internal Control is available on the UBE Group's website:

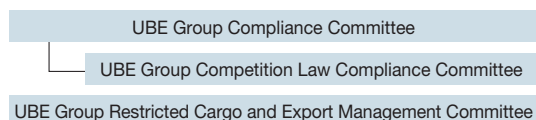
<https://www.ube-ind.co.jp/ube/en/corporate/management/internal-control.html>

Compliance

UBE established the UBE Action Guidelines as a code of conduct guiding basic behavior within the UBE Group and among constituent members. The guidelines outline the standards and criteria for compliance in corporate activities, which directors and employees are expected to adhere to.

UBE appoints a Compliance Officer (an executive officer whom the President and CEO appoints) for the UBE Group and maintains the UBE Group Compliance Committee including general counsels as an advisory body. Within the committee, it set up the UBE Group Competition Law Compliance Committee to prevent acts that impede fair competition and to ensure the soundness of business operations. It additionally set up the UBE Group Restricted Cargo and Export Management Committee to increase awareness within the Group of the need to prevent the unauthorized export or provision of goods and technology that are restricted under export control laws and regulations designed to maintain international peace and stability.

UBE is working to upgrade and strengthen structures and frameworks for compliance. Initiatives include the introduction of the "UBE C-Line," a hotline that allows executive officers and employees to directly report compliance issues without going through normal channels. This encourages the rapid



finding and swift correction of workplace harassment and labor problems, embezzlement and other misconduct, corruption such as bribery, collusion, and other corruption, and other compliance issues. By providing compliance-related information, e-learning, team coaching, and other programs, UBE continuously educates and enlightens its employees.

In fiscal 2020, UBE conducted online internal training and education on laws and regulations such as the Antimonopoly Act, Subcontract Act, and Unfair Competition Prevention Act. We trained instructors to provide general compliance education at each business site and conducted workplace-based training. There were approximately 8,000 participants in the three years from fiscal 2018 to 2020.

Preventing Corruption

Chapter 3 of the UBE Group Action Guidelines for Business Conduct, titled, Fairness and Integrity, states a commitment to maintaining healthy relationships with governments and regulators. The objective is to prevent the bribery of public officials in Japan or abroad as well as other forms of corruption. We accordingly formulated the UBE Group Anti-Bribery Guidelines, and provide e-learning and collective training courses for executives and employees. We maintain a framework that if such matters of concern as suspected bribery of public officials, excessive entertainment with business partners, exchanges of money and goods, and collusion come to light through our internal hotline, compliance officers and departments collaborate to swiftly inquire into the facts and take the necessary measures. In fiscal 2020, there were no incidences of corruption, which would be subject to disciplinary action, or any penalties or other charges for corruption.

Please visit the Compliance section of the UBE Group's website for the UBE Group Anti-Bribery Guidelines.

<https://www.ube-ind.co.jp/ube/en/sustainability/compliance/compliance.html>

Basic Policy for Establishing Internal Control



UBE Group Compliance Guidelines / UBE Group Anti-Bribery Guidelines





The UBE Group’s sustainability efforts are everything to corporate management. We believe that collaborating with stakeholders to globally broaden our founding principles of coexistence and mutual prosperity underpins our pursuit of sustainability and enables us to enhance corporate value and coexist with society. Efforts entail enhancing corporate value and our *raison d’être*, continuing to grow sustainably, and engaging in daily dialogue to deepen stakeholder trust.

United Nations Global Compact

In April 2021, we signed the United Nations Global Compact, the world’s largest sustainability initiative, and joined Global Compact Network Japan to promote sustainable management. In keeping with our founding principles and corporate philosophy, we support and implement the Ten Principles of the United Nations Global Compact in the four fields of human rights, labor, the environment, and anti-corruption, and will help realize a sustainable economy through our business.



UBE Group Basic Policies for Sustainability

To promote sustainable management, we revised our Basic Policies for CSR as the UBE Group Basic Policies for Sustainability in April 2021.

The UBE Group lives up to its founding spirit and corporate philosophy by ensuring that its businesses contribute to a sustainable world.

1. In accordance with laws and regulations at home and abroad, and international norms and guidelines that should be observed, and with respect for human rights, we will pursue our corporate activities in a sound and fair manner.
2. We will pursue corporate governance that is in keeping with the demands of society and strive to continuously expand revenues and enhance our corporate value.
3. We will secure safety and quality in providing environmentally friendly products.
4. We will strive to reduce the environmental impact of our business activities and effectively utilize resources in order to conserve the global environment.
5. We will practice appropriate information disclosure for all stakeholders and readily communicate with society.
6. As a good corporate citizen, we will engage in social initiatives at home and abroad, to contribute to the growth of communities.

Social Contribution Activities

We aim to contribute to progress in communities worldwide as a good corporate citizen by undertaking social contribution activities in Japan and overseas.

● **Social Contribution Activities Structure**
Group companies and sites undertake voluntary social contribution initiatives in keeping with the UBE Group Guidelines for Social Contribution Activities*. Regular reports on these efforts go to top management. We annually survey these activities at business sites and Group companies to check on progress and we report findings to the director in charge. By sharing results Groupwide, we are making initiatives more effective.

Depending on amounts, our activity funding and donation activities require approval from the president or officers in charge.

● **Key Social Contribution Activities**
We invest in various social contribution initiatives, focusing on the categories of environment, communities, academia and research, and education and culture. Our social contribution activities spending in fiscal 2020 was approximately ¥220 million.

1. **Global Environment**—We will seek to conserve the global environment in all its diversity and ensure a global environment that is safe and secure to live in for future generations.
2. **Communities**—We will contribute to the advancement of communities, under the founding spirit of coexistence and mutual prosperity that has guided the UBE Group for over 120 years.
3. **Science and Research**—We will aim to contribute to scientific progress and foster richly creative human resources by collaborating with universities and research institutions.
4. **Education and Culture**—We will broadly send the message of chemistry as an appealing field to future generations in whose hands we will leave the future, and will continue to support cultural activities and the arts.

* Please visit the Community Engagement section of the UBE Group’s website for details on our social contribution activities.

<https://www.ube-ind.co.jp/ube/en/sustainability/communication/community.html>

Social Contribution Activities





Human Resources Management



Human Resources

The UBE Group considers employees its most important resource for supporting sustainable growth. Accordingly, one of our management policies prizes people.

We formulated the UBE Group Human Resources Management Guidelines to motivate employees to do their best.



Details about the Group's human resources management and strategies are available on the UBE Group's website:

<https://www.ube-ind.co.jp/ube/en/sustainability/laborrights/laborrights.html>

Diversity and Inclusion and Workplace Reforms

We have committed ourselves to diversity and inclusion* to foster a creative, enterprising corporate culture. In 2013, we established a diversity unit to champion women's advancement by diversifying human resources while reforming work practices.

Addressing the Gender Gap

As of March 31, 2021, 8.4% of parent company employees were women, up from 8.1% a year earlier. Women represented 2.8% of our management pool, compared with 2.6% a year earlier. In fiscal 2019, we launched a three-year action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace. The plan encompasses the following three benchmarks to create work environments that empower women.

- (1) A paid vacation usage rate of 80% or more
- (2) At least 70% of eligible male employees taking childcare leave

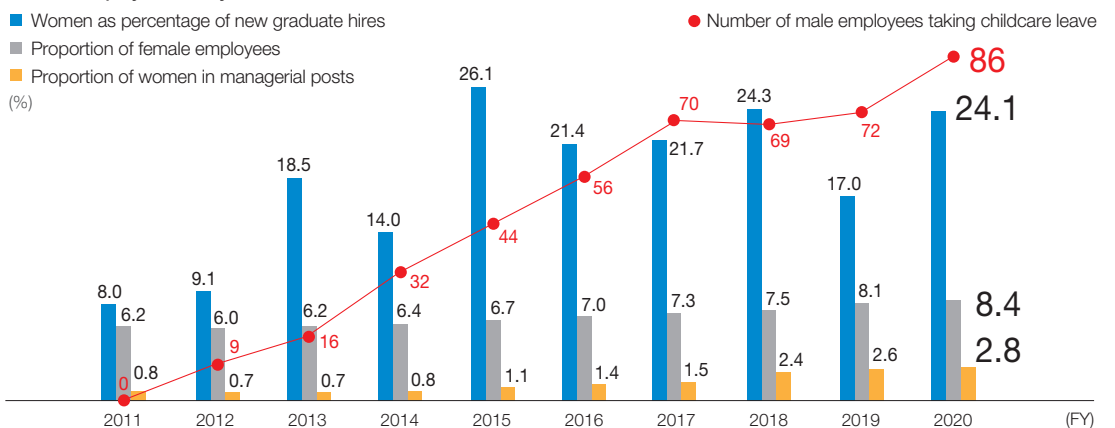
(3) Women representing at least 20% of new graduate hires for generalist positions

Our efforts thus far have enabled women to broaden their career horizons and become frontline employees in a range of workplaces. Most of our female employees return to work after maternity leave. As well, the number of male and female employees balancing childcare and professional commitments is rising each year.

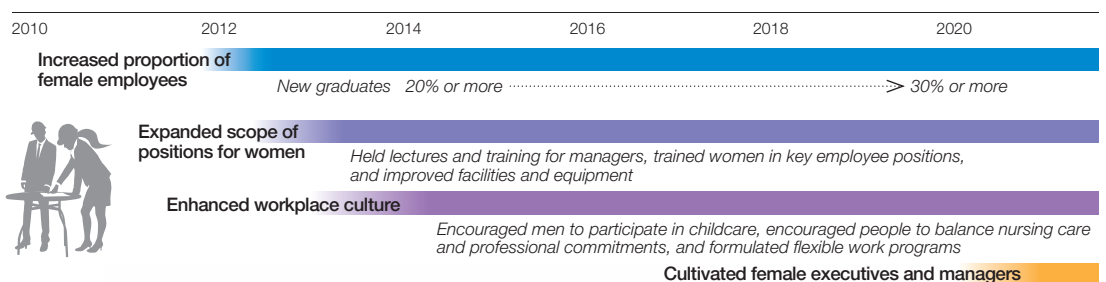
Hiring Breakdown

Fiscal Year	Number of People		
	2018	2019	2020
New graduate hires (Generalist positions)	37 (9)	47 (8)	58 (14)
New graduate hires (Key employee positions)	30 (2)	56 (8)	69 (10)
Mid-career hires	57 (3)	50 (6)	18 (1)
Hires with disabilities	2 (0)	3 (2)	1 (0)
Hires of non-Japanese nationals	1 (1)	1 (0)	1 (0)

Female Employee Activity Benchmarks



Women's Advancement Initiatives



* Diversity and inclusion: Accepting people from diverse backgrounds, recognizing and drawing on individuals' abilities, experiences, and ways of thinking

New Initiatives from Fiscal 2021

We formulated the following action plan to address delays in promoting women to executive and management positions. The Human Resources Department will augment these efforts by conducting career development interviews, undertaking

systematic rotations, and exchanging views with top management as part of efforts to bolster our Female Executive Development Program and accelerate appointments of female executives and managers.

Voluntary Action Plan to Promote Women to Executive and Managerial Positions

Diversity and inclusion underpins our management policies. We are striving to enhance work practice flexibility to cater to diverse personalities and values and hire more women, and offer them more opportunities to play active roles in our organization.

We formulated the following action plan to increase the proportion of female managers to 15% by the end of fiscal 2030.

- Appoint women to more than 30% of new graduate career-track positions
- Implement various measures to foster women’s career advancement
- Provide unconscious bias training
- Create climate that empowers women to expand their job scopes
- Bolster support programs for childbirth, childcare, nursing care, and other life events and make those programs easily accessible for all female and male employees alike
- Eliminate long working hours

Rehiring Retirees

We provide second career training for employees after they reach the standard retirement age of 60 so they can draw on their experience and skills and enable them to work anywhere internally and externally. We rehired 96.8% of new retirees in fiscal 2020.

Recruiting People with Disabilities

We set up the UBE Group Support Network for Employment of People with Disabilities. The Group endeavors to employ and retain these individuals by drawing on the expertise of Libertas Ube, Ltd., a special-purpose subsidiary.

Enhancing Work Style Reform

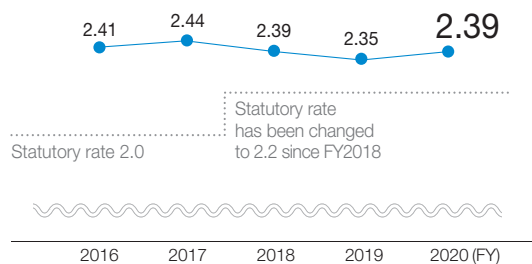
We strive to streamline efficiency by reviewing tasks from a range of perspectives, including through the use of ICT. At the same time, we are developing systems and environments that enhance work flexibility.

We will keep encouraging teleworking and web conferencing, which have proven effective in enhancing productivity while helping prevent the spread of COVID-19.

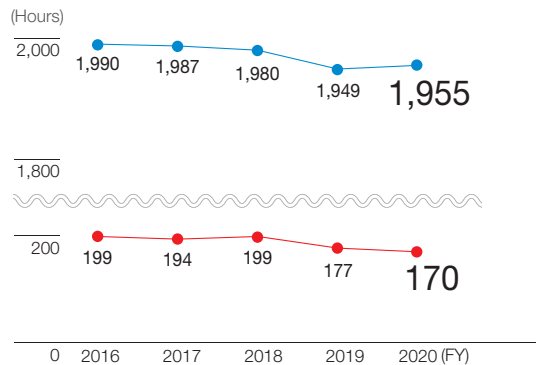
We set annual working hours targets through labor-management negotiation. In addition, we track monthly progress against targets for overtime and annual paid leave usage.

In fiscal 2020, total working hours and the annual paid leave usage rates deteriorated owing to several factors, including large biennial repairs of plant facilities, temporary workload spikes in response to the pandemic, and lower efficiency. For fiscal 2021, labor and management agreed to a target of 1,936 working hours, and will keep endeavoring to foster a healthy work-life balance. We constantly roll out new programs to help employees balance work and childcare and nursing care commitments.

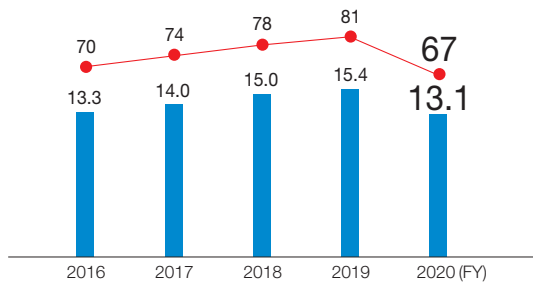
Percentage of Employees with Disabilities
(%)



Total hours worked
Overtime
(Hours)



■ Annual paid leave taken (Days) ● Ratio of annual paid leave taken (%)



Example support programs for balancing professional and private commitments

1. Full flextime with no core time
2. Shorter working hours owing to illness or for taking children to school
3. Annual paid leave in half-day or hourly units
4. Teleworking program
5. Rehiring program

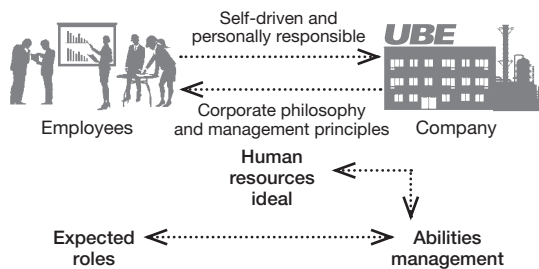
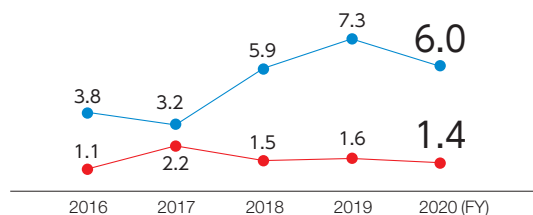
Nonetheless, recent years have seen more employees quit soon after joining, particularly those in key employee positions. We believe this stems from gaps between anticipated and actual work content and insufficient follow-up after people enter the Company. We are endeavoring to stem resignations by properly informing key employee position seekers while expanding a program that provides guidance and mental care after people become employees.

Personnel System / Human Resources Development

UBE encourages its people to be self-driven and hold themselves personally responsible for

Employee Turnover

● Employee turnover in first three years (%)
● Employee turnover (excluding retirement) (%)



pursuing results. This is in keeping with founding principles that champion responding to changes in the environment to constantly innovate technology and practice self-improvement. We maintain a personnel system in which we clarify what we expect of employees and fairly evaluate performances so all of them understand their missions and find fulfillment through work.

We revised our personnel systems for each job level in fiscal 2019 and 2020 to foster human resources development that encourages people to reach their goals and motivates them to perform better. While decreasing allowances such as for the portion based on age, we changed our evaluation and qualification systems to better emphasize performance and offered greater fulfillment by providing more opportunities for advancement and salary raises. We will reinforce our human resources development capabilities through a compensation system that rewards managers for their zeal in guiding and developing subordinates and successors.

Please visit the UBE Group's website for more information about human resources development and training initiatives.

<https://www.ube-ind.co.jp/ube/en/sustainability/laborrights/laborrights.html>

Human Resources



Employees undergoing training with prevention measures against COVID-19



Health Management Initiatives

The Group Strategic Management Meeting oversees employee health based on the UBE Management Principles. Our health endeavors earned recognition under the Ministry of Economy, Trade and Industry's Certified Health and Productivity Management Organization Recognition Program in 2021.

Details about the Group's health management initiatives are on the UBE Group's website:

<https://www.ube-ind.co.jp/ube/en/sustainability/rc/environment/workplace.html>



Human Rights

The UBE Group has made respecting human rights central to its corporate activities. We formulated the UBE Group Human Rights Guidelines in line with the United Nations Guiding Principles on Business and Human Rights. We will fulfill our corporate social responsibilities by swiftly identifying, preventing, and mitigating anything in our corporate activities that undermines human rights.



Respect for Human Rights

The UBE Group Action Guidelines state our respect for individuals while fostering mutual understanding and eliminating discrimination. The guidelines also state that we oppose forced and child labor, human trafficking, and all other inhumane practices and reject any ties with individuals or organizations engaging in such practices.

We created a framework to educate internally about human rights based on the UBE Group Human Rights Guidelines. We ensure that all employees understand and embody our stance on human rights in all aspects of business by providing ongoing executive, business site, and job classification-based training through external instructors.

Human Rights Training (Fiscal 2020) (Number of trainings held)

In-house training	6	total number of participants: 260 (UBE)
External instructors	32	total number of participants: 35 (UBE)
e-learning	2	attendance rate: 99% (UBE Group) (Japan)

If human rights violations were to come to light through internal whistleblowing or business reports, the UBE Group would endeavor to step up efforts to respect these rights and prevent infringements from recurring by taking prompt corrective action and undertaking internal disciplinary measures as needed, reporting findings to management and disseminating that information throughout the Group.

We also strive to respect human rights across our supply chain. We accordingly formulated the UBE Group Sustainable Procurement Guidelines, which encompass measures to uphold those rights among all suppliers. We collaborate with suppliers on human rights issues, including those associated with work environments, as well as the risks of violations, by regularly conducting CSR-oriented risk assessments of major suppliers.

Please visit the Human Rights and Labor section of the UBE Group's website for the UBE Group Human Rights Guidelines.

<https://www.ube-ind.co.jp/ube/en/sustainability/laborrights/index.html>

Labor Rights

The UBE Group respects the basic rights of workers, including the freedom of association and the right to collective bargaining.

We have concluded an agreement with the Ube Industries Labor Union that encompasses worker rights. Management engages in negotiations and regular discussions with labor representatives to improve living standards and working conditions for union members and provide comfortable work environments. We endeavor to maintain and enhance healthy relationships between management and labor by having senior executives participate in conference sessions with labor to exchange and honestly discuss views about the Company's issues and direction and share management policies and plans with union members while reflecting their feedback in management.





Thorough Procurement in Line with Basic Purchasing Guidelines

The UBE Group endeavors to build fair and honest business relationships. We purchase in line with the Basic Purchasing Guidelines—Fair Transactions, Objective Selection of Suppliers, Compliance with Laws and Regulations and Confidentiality, Green Purchasing, and Sustainable Procurement*, as disclosed in the purchasing information on the UBE Group’s website.

Detailed information on these policies is available on the UBE Group’s website:

<https://www.ube-ind.co.jp/ube/en/koubai/>

Sustainable Procurement

The UBE Group prepared Sustainable Procurement Policies and UBE Group Sustainable Procurement Guidelines that encompass respecting human rights, complying with laws and social norms such as eliminating anti-social forces, and safeguarding the environment to foster sustainable procurement that boosts standards across the entire supply chain.

We revised our guidelines and published them on the UBE Group’s website in April 2021.

We inform new suppliers that our basic purchasing guidelines and UBE Group Sustainable Procurement Guidelines are available on our Group website.

https://www.ube-ind.co.jp/ube/en/koubai/pdf/csr_guideline.pdf

The Third Survey of Major Business Partners on CSR

In fiscal 2019, we conducted a third survey of 276 major business partners accounting for 90% of our procurement costs for materials, construction, packaging materials, and fuel oil. We compiled and analyzed the survey results, providing feedback Companywide. The goal of the survey was to assess CSR progress among

business partners and seek improvements as needed. We spoke with business partners providing inadequate responses to drive improvements.

Question categories

1. Internal CSR structure
2. Maintaining stable supplies and quality
3. Complying with corporate ethics, laws and regulations, and social norms, and engaging in fair trade
4. Caring for the environment
5. Respecting human rights, safety, and health
6. Contributing to and communicating with society and managing and disclosing information

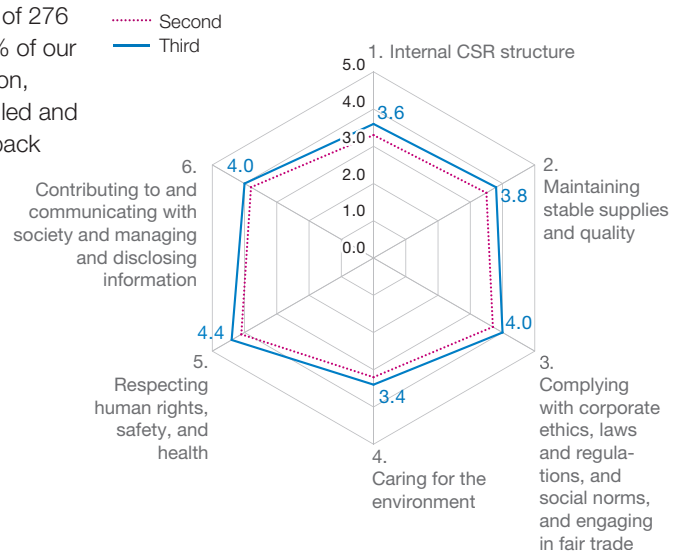
The average score overall out of a maximum of 5 in self-evaluations for 27 questions in the six categories above was 3.8. This indicates some progress in tackling issues. The score was best in the category for Respecting human rights, safety, and health, at 4.4. The score for Caring for the environment was relatively low, at 3.4.

Scores were 4 or higher for three human rights-related areas, which were bans on harassment, prohibitions on forced, slave, and child labor, and on labor at unjustly low wages, as well as prohibitions on discrimination based on gender, race, nationality, age, religion, or disabilities.

Please visit the Procurement Information section of the UBE Group’s website for the survey results.

https://www.ube-ind.co.jp/ube/en/koubai/pdf/customer_01.pdf

Comparison of the Second and the Third Survey Results



Procurement Information



UBE Group Sustainable Procurement Guidelines



The Third Survey of Major Business Partners on CSR



Environment and Safety Management



The UBE Group has made safeguarding the environment, safety, and health top priorities so it can provide products and services that contribute to better lives and achieve solid and sustainable growth.

We defined priority environmental and safety measures under the UBE Group Environmental and Safety Guidelines to reflect the activities of business sites and partner companies*.

UBE Group Environmental and Safety Guidelines

We will make it our shared value to prioritize safety in everything we do, realizing safety and security in the workplace and local communities, and conserving the global environment.

- (1) We will secure healthy, safe and comfortable working conditions, aiming to eliminate occupational accidents.
- (2) We will ensure the safety and security of facilities and operations, aiming to eliminate facilities accidents.
- (3) We will reduce our emissions of waste and chemical substances, and contribute to establishing a recycling-based society by recycling and effectively using resources.
- (4) We will voluntarily and continuously work to address global environmental issues in order to contribute to a sustainable society.
- (5) We will strive to maintain and improve the health of working persons, who give vitality to society and corporations.

Published on April 1, 2019
Revised on April 1, 2020

Environmental and Safety Organization

Policies and measures relating to such environmental safety components as occupational safety and health, process safety and disaster prevention, environmental preservation, and environmental issues are key management issues. The President and CEO chairs the Group Strategic Management Meeting (Environment and Safety), which deliberates and decides on these issues. The meeting also serves as a process safety headquarters prescribed in a ministerial order relating to high-pressure gas safety (HPGS), discussing and determining important matters relating to process safety at certified sites for high-pressure gas.

Structure of Environment and Safety-Related Meetings

Group Strategic Management Meeting (Environment and Safety)

Chairman: President and CEO



Environmental Safety Measures

We implement PDCA cycles based on our environmental and safety measures to constantly improve efforts relating to occupational safety and health, process safety and disaster prevention, environmental preservation, and environmental issues. The Outline of Environment and Safety Activities on pages 1–2 of the 2021 Integrated Report Supplementary Information (Environment and Safety) presents our environmental safety activity plans and achievements.

https://www.ube-ind.co.jp/ube/en/ir/ir_library/integrated_report/pdf/2021/integrated_report_environmental_safety_0.pdf

We improve areas in which we have identified issues and reflect progress with improvements in measures for the following fiscal year.

We audit and inspect activity progress and identify concerns. Check



Outline of Environment and Safety Activities

Glossary

* Partner companies: Including construction and other contractors

Occupational Safety and Health



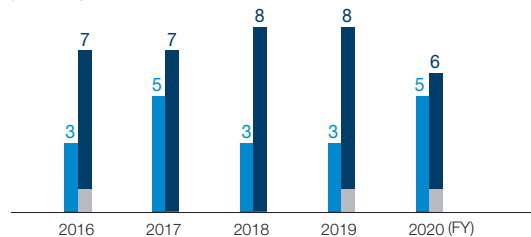
Measures to Prevent Occupational Accidents

Fostering a Safety-Driven Corporate Culture

To make existing safety activities more comprehensive and effective, in fiscal 2016 we launched initiatives aimed at fostering a safety-driven corporate culture, encompassing eight elements. These are organizational governance, positive involvement, resource management, work management, motivation, learning and knowledge transmission, risk perception, and mutual understanding. In keeping with findings from assessments based on headquarters' evaluation standards, business sites identify issues and formulate and execute plans to cultivate a safety culture as part of ongoing improvement efforts.

Number of Fatal and Lost-Time Incidents among Domestic Operations

Number of Lost-Time Incidents
 ■ UBE Group employees
 ■ Employees of partner companies of the UBE Group*
 (■ Number of fatal incidents)
 (Incidents)

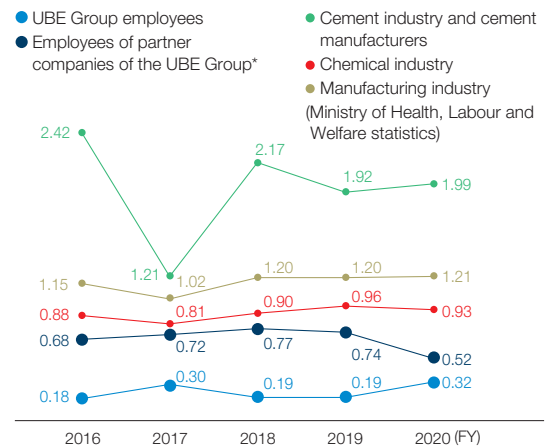


Eliminating Major Disasters

We have undertaken a range of activities to prevent occupational accidents. In fiscal 2018, we initiated efforts that centered on eliminating major incidents. We conduct risk assessments of work that is highly susceptible to serious accidents. We implement systematic risk reduction measures and endeavor to make operations inherently safe. From fiscal 2020, we undertook safety activities with partner companies* that we added as a priority item.

We investigate the causes of all incidents regardless of whether they result in lost time, striving to prevent similar incidents by assessing and rolling out measures.

Lost-Time Injury Frequency Rate



Process Safety and Disaster Prevention



We endeavor to eliminate process accidents through initiatives that ensure our facilities are safe and secure. We also undertake activities to minimize damage in the event of major natural disasters. In fiscal 2020, we focused on comprehensive measures to address the risks of accidents at aging facilities, improving safety at certified high-pressure gas sites, and implementing natural disaster measures.

Measures to address the risks of accidents at aging facilities entail each business site inspecting and assessing aging facilities and formulating

improvement plans. We have rolled out initiatives to prevent electrical equipment problems that have arisen in recent years from recurring. By undertaking comprehensive risk measures, we endeavor to build business sites that are impervious to accidents.

For certified high-pressure gas sites, we set up an improvement agenda in line with assessment findings from the Japan Safety Competency Center and engage in systematic improvement initiatives.

We push ahead with measures to address natural disasters by having each business site conduct self-assessments in line with self-assessment criteria for such measures, and pursue ongoing improvements. We also respond to the Industrial Process Safety Action Plan of the Japan Petrochemical Industry Association.

Industrial Safety Action Plans
 Page 4 of the 2021 Integrated Report Supplementary Information (Environment and Safety) presents these initiatives.



https://www.ube-ind.co.jp/ube/en/ir/ir_library/integrated_report/pdf/2021/integrated_report_environmental_safety_2.pdf

Glossary

* Partner companies: Please see the glossary on page 58.

Environmental Preservation

Environmental Performance



The UBE Group believes that tackling environmental issues to ensure sustainable social progress and fostering stakeholder trust by announcing outcomes are vital for sustainable corporate growth.

Overview of Group Environmental Impact (Fiscal 2016 through 2020)
(Scope of data: UBE's domestic factories and laboratories and major domestic consolidated subsidiaries with factories (please see note 1))

Water Resource Usage
Page 9 of the 2021 Integrated Report Supplementary Information (Environment and Safety) details water resource usage by source and water discharges by discharge location.



		2016	2017	2018	2019	Input 2020
Total energy (thousands of MWh)		22,070	21,980	21,970	22,140	20,920
Total raw materials (thousands of tons)		16,209	16,361	16,383	16,298	15,381
Water resources (Note 2) (million m ³)	Fresh water used	96	94	92	97	94
	Seawater used	108	115	106	115	108

https://www.ube-ind.co.jp/ube/en/ir/library/integrated_report/pdf/2021/integrated_report_environmental_safety_6.pdf



Business activities (manufacturing) of the UBE Group

Output

		2016	2017	2018	2019	2020
Airborne emissions	GHG (1,000 t - CO ₂ e/y)	12,300	12,300	12,010	12,110	11,270
	SOx* ¹ (t)	3,001	2,839	2,873	2,652	2,589
	NOx* ² (t)	14,834	14,949	16,149	16,071	15,274
	Dust (t)	393	341	356	371	392
	PRTR substances* ³ (t)	140	162	198	180	190
Soil emissions	PRTR substances (t)	0	0	0	0	0
Waterborne emissions	Wastewater (million m ³)	156	162	147	163	152
	COD* ⁴ (t)	724	747	642	705	658
	Total phosphorus (t)	10	11	9	11	10
	Total nitrogen (t)	500	519	468	466	420
	PRTR substances (t)	122	119	97	112	82
Industrial waste emissions	Off-site disposal volume (t)	7,550	6,561	6,730	6,463	6,347
	Recycled volume (t)	421,290	386,661	370,451	389,000	340,543

https://www.ube-ind.co.jp/ube/en/ir/library/integrated_report/pdf/2021/integrated_report_environmental_safety_3.pdf

Emissions Data by Facility
Page 5 of the 2021 Integrated Report Supplementary Information (Environment and Safety) presents facility-specific emissions of SOx, NOx, dust, COD, total phosphorus, and total nitrogen.



We endeavor to safeguard the environment and comply with levels set through agreements with government bodies or with voluntary standards by stabilizing plant operations and by extensively controlling air and water emissions of pollutants, and also undertake ongoing environmental impact reduction activities. UBE plants are located along rivers, so the risks of water shortages are small.

However, each plant manages water consumption and discharges to use water more efficiently.

We will continue to engage in business activities that contribute to a recycling-based economy as part of environmental management, such as by tackling environmental issues, reducing and recycling industrial waste, and lowering chemical substance emissions.

Glossary

*1 Sulfur oxides (SOx) originate in the sulfur (S) component of fuels. Boilers are our main source of these oxides.

*2 Nitrogen oxides (NOx) stem from fuel combustion, primarily from Group boilers and cement kilns.

*3 Pollutant Release and Transfer Register (PRTR) Law: This legislation requires companies to identify business site chemical substance emissions and transfer volumes and report to the government. The Ministry of the Environment discloses the submitted information on its website. Such disclosure is designed to encourage voluntary efforts to improve chemical substance management.

*4 Chemical Oxygen Demand (COD): This is an indicator of water pollution by organic substances and represents the amount of oxygen consumed in the chemical oxidation of organic matter.

Notes: 1. Page 10 of the 2021 Integrated Report Supplementary Information (Environment and Safety) presents details of the scope of data.

2. Water resource inputs are in keeping with the Ministry of the Environment's Environmental Reporting Guidelines 2018. These inputs are withdrawal from external sources to business sites.

Suppressing Chemical Substance Emissions

Scope of data: UBE's domestic factories and laboratories and major domestic consolidated subsidiaries with factories (please see note)

The chemical industry complies with laws and regulations while endeavoring to voluntarily cut chemical substance emissions through a disclosure program based on the PRTR Law*1. The UBE Group chose 20 substances whose emissions are significant*2 from substances subject to the PRTR Law, as well as volatile organic compounds (VOCs)*3. We positioned them as key substances Companywide. By fiscal 2021, we aim to lower their emissions by 37% from the fiscal 2010 level.

In fiscal 2020, we lowered emissions of these 20 substances by 29% from the fiscal 2010 level, suppressing emissions subject to the PRTR Law and VOC emissions.

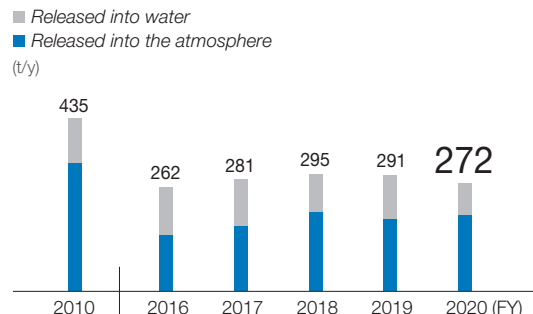
Suppressing PRTR Substance Emissions

We handle 66 of the 462 substances subject to the PRTR Law. Our emissions of these substances in fiscal 2020 were down 37% from fiscal 2010.

Suppressing VOC Emissions

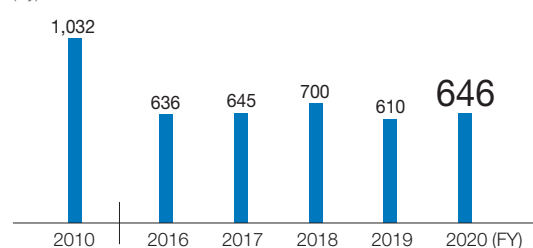
The UBE Group's VOC emissions in fiscal 2020 were 37% lower than those in fiscal 2010.

Emissions Volume of PRTR Substances



https://www.ube-ind.co.jp/ube/en/ir/ir_library/integrated_report/pdf/2021/integrated_report_environmental_safety_4.pdf

VOC Emissions (t/y)



PRTR Substances

Page 6 of the 2021 Integrated Report Supplementary Information (Environment and Safety) presents emissions and transfer volumes and other data on the top 10 substances in terms of emissions volume.



Reducing Industrial Waste

Scope of data: UBE's domestic factories and laboratories and major domestic consolidated subsidiaries with factories (please see note)

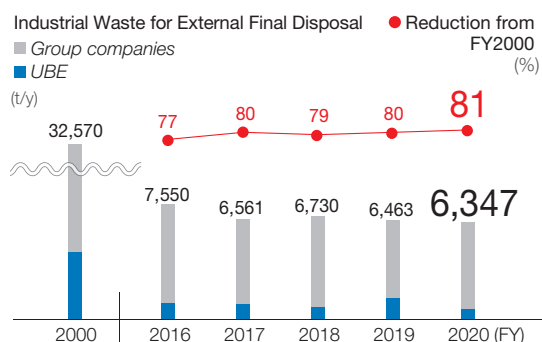
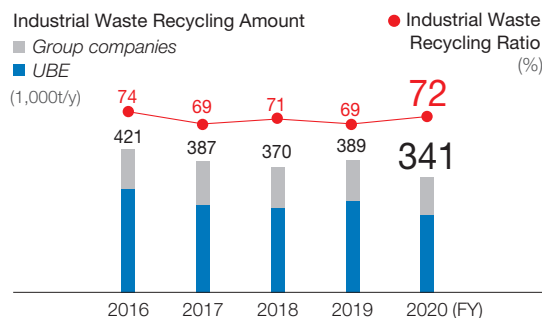
The Japanese government's 4th Fundamental Plan for Establishing a Sound Material-Cycle Society targets a 77% reduction in industrial waste landfill amounts from 2000 levels by 2025. As part of efforts to contribute to a recycling-based society, the UBE Group has set a target of reducing external landfill volumes by 83% from the fiscal 2000 level by fiscal 2021, and is accordingly endeavoring to recycle industrial waste and cut landfill volume.

Industrial Waste Recycling

Our chemical factories, in-house power stations, machinery factories, and other facilities generate an array of industrial waste. We recycle most of this material at cement factories and other Group facilities.

Industrial Waste for External Final Disposal

In fiscal 2020, we lowered such waste by 81% from the fiscal 2000 level. We will keep endeavoring to cut volumes from fiscal 2021.



https://www.ube-ind.co.jp/ube/en/ir/ir_library/integrated_report/pdf/2021/integrated_report_environmental_safety_4.pdf

Industrial Waste Treatment Flow

Page 6 of the 2021 Integrated Report Supplementary Information (Environment and Safety) presents the amounts of industrial waste generated, recycled, reduced, and emitted in fiscal 2020.



Glossary

*1 Pollutant Release and Transfer Register (PRTR) Law: Please see the glossary on page 60.

*2 UBE's 20 voluntarily selected chemical substances: Please see page 2 of the 2021 Integrated Report Supplementary Information (Environment and Safety).

*3 Volatile organic compounds (VOCs): These organic chemicals evaporate or sublime easily, entering the atmosphere as gases. They are factors in the forming of suspended particulate matter (PM) and photochemical oxidant pollution.

Note: Page 10 of the 2021 Integrated Report Supplementary Information (Environment and Safety) presents details of the scope of data.

Environmental Issues

Initiatives to Address Environmental Issues

In April 2020, we identified four aspects of global environmental issues for which we have formulated a unified Group stance. These are tackling global warming, dealing with marine plastic waste, protecting biodiversity, and safeguarding water resources.

We now seek to generate at least 50% of consolidated net sales from environmentally friendly products and technologies by fiscal 2030.

	Goals and Initiatives
Environmental Issues	Generate at least 50% of consolidated net sales from environmentally friendly products and technologies by fiscal 2030
Global Warming	Provide materials and products that help reduce and recover GHG emissions
Marine Plastic Waste	Develop and provide materials and products that help resolve issues with plastic waste
Biodiversity	Help safeguard the environment and conserve biodiversity through business activities
Water Resource Conservation	Help conserve water by properly using and managing these resources

Set targets for cutting GHG emissions as key environmental challenges

	Targets
Global warming countermeasures	Reduce GHG emissions by 17% by fiscal 2030 (Chemicals: 20% reduction) (from fiscal 2013 levels)

We will continue striving to achieve these goals. Detailed information about our basic approach to tackling environmental issues is available on the UBE Group's website:

<https://www.ube-ind.co.jp/ube/en/sustainability/rc/environment/issues.html>

Structure Relating to Environmental Issues

Information about a chart on the structure relating to environmental issues is available on the UBE Group's website:

<https://www.ube-ind.co.jp/ube/en/sustainability/rc/environment/issues.html>

(1) Tackling Global Warming

● Cutting GHG Emissions

We reached our fiscal 2021 goal of reducing GHG emissions by 15% from fiscal 2005 levels ahead of schedule. We are now striving to further conserve energy and recycle more waste so we can reach our goal of cutting emissions by 17% Groupwide and 20% in the chemicals business from fiscal 2013

https://www.ube-ind.co.jp/ube/en/ir/library/integrated_report/pdf/2021/integrated_report_environmental_safety_5.pdf

levels by fiscal 2030. We will focus on developing technologies to recover and use CO₂, thereby helping lower the overall GHG emissions of our supply chain.

● Creating and Expanding New Products and Technologies to Help Reduce Environmental Impact

We have reached the fiscal 2021 target ratio of the sales of such products and technologies to net sales in fiscal 2020, one year ahead of the target year. Going forward, we aim for 50% or more by fiscal 2030.

(2) Dealing with Marine Plastic Waste

We use waste plastics as a source of energy for cement production, helping reduce the volume of this material going to landfills. We help prevent plastic from being discarded and flowing into the oceans by conducting cleaning along the industrial roads around our plants.

The UBE-Fujimagari Factory collects plastic and other waste along the Kotou River each June as part of Environment Month and the Seto Inland Seawater Conservation Month. The Chiba Petrochemical Factory removes polyethylene pellets from wastewater and collects them at the final wastewater treatment facility. It regularly cleans one kilometer of roads



Polyethylene pellet collection equipment at Chiba Petrochemical Factory



Collecting plastic and other waste around Chiba Petrochemical Factory



Collecting plastic and other waste around UBE Film, Ltd.

The UBE Group's Basic Stance on Environmental Issues



Structure Relating to Environmental Issues



GHG Emissions
Page 7 of the 2021 Integrated Report Supplementary Information (Environment and Safety) presents GHG emissions by segment.



within its premises. Approximately 100 employees from UBE Film, Ltd., take part in local cleanups each year, with 50 of them helping clean up plant environs once a month. UBE Steel Co., Ltd., uses high-temperature electric furnaces to melt steel scrap as a key raw material for mainstay billets and castings. It also melts glass and waste plastics at high temperatures during manufacturing processes to dispose of waste and use resources effectively.

(3) Safeguarding Biodiversity and Conserving Water Resources

● Private Business Partnership to Preserve Biodiversity

We support the Declaration of Biodiversity by Keidanren (Japan Business Federation) and take part in its Business and Biodiversity Partnership. The Chiba Petrochemical Factory participates in Chiba Prefecture's biodiversity conservation activities to help preserve the Japanese white pine*, growing this tree on its premises.



* The Japanese white pine in the Boso Hills is an extremely valuable cold season relic, but the local population of these trees has rapidly declined, prompting the Chiba prefectural government to designate it a most important protected species and undertake steps to both protect it and restore numbers.

● Forest Conservation Initiatives

In fiscal 2020, 54 employees volunteered to take part in the 13th Forest Creation Experiential Activity for Water Conservation, thinning and logging bamboo.

Although we had to reduce the number of participants and shorten the activities because of the COVID-19 pandemic, this annual initiative is held for employees of companies using the Kotou River system in Yamaguchi Prefecture. It helps forests retain water and educates participants about the links between water and forests.

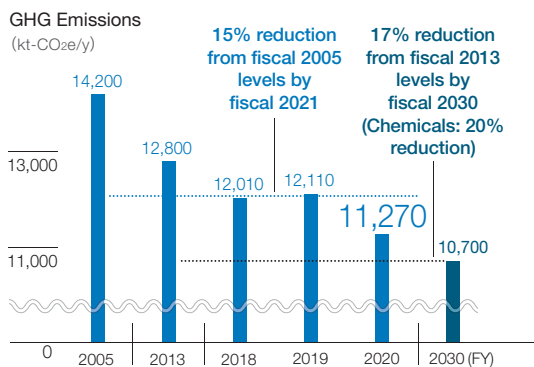
Officials from the Mine Agriculture and Forestry Office lectured participants about the benefits of forest conservation, deepening their understanding about the environment and the importance of conservation.



Employees participating in the 13th Forest Creation Experiential Activity for Water Conservation

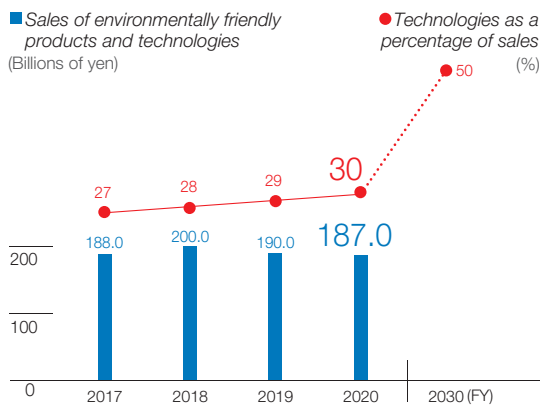
Initiatives to Reduce GHG Emissions

Progress toward GHG Emissions Reduction Targets

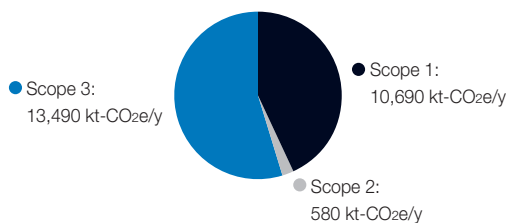


Progress in Creating and Expanding Our Lineup of Environmentally Friendly Products and Technologies

Aiming to raise the ratio to 50% or more by fiscal 2030



Emissions by Scope in Fiscal 2020



GHG Emissions (by Business) in Fiscal 2020

Business sites	kt-CO ₂ e		Total
	Scope 1	Scope 2	
Chemicals Segment	2,970	510	3,480
Japan	2,150	200	2,350
Thailand	410	290	700
Spain	410	20	430
Construction Materials Company	7,530	70	7,600
Machinery Company	190	10	200
Total	10,690	580	11,270



Our cement factories recycle diverse waste and by-products as raw materials for cement and thermal energy alternatives. Our cement kilns operate at up to 1,450°C, so they can burn and detoxify substances that conventional counterparts could not handle. They can also process large waste volumes. It is also possible to use ash from incineration as an alternative to the clay used in cement, thereby eliminating the need to maintain final disposal sites.

In fiscal 2020, our three cement factories harnessed 3.19 million metric tons of waste and by-products, 2.84 million metric tons of which we

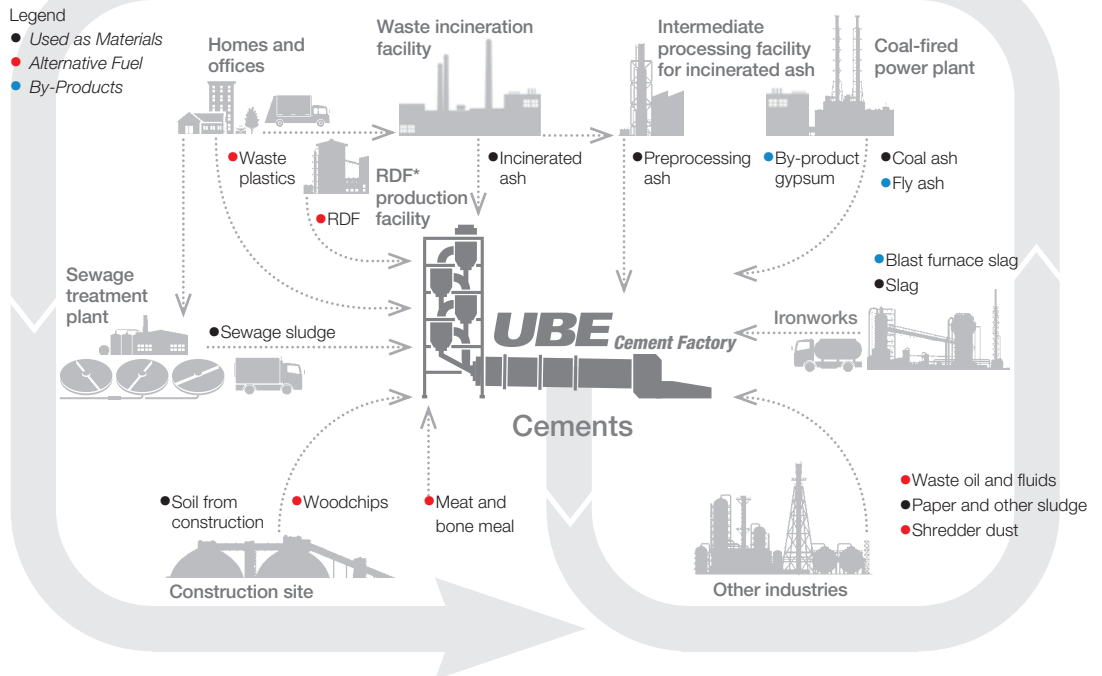
sourced externally, contributing considerably to a recycling-oriented society.

We are developing new businesses to use waste materials in applications other than as materials for cement. For example, we are recycling waste plasterboard and exploring the use of sewage sludge, a biomass resource. We will continue to boost our capacity for handling various waste as part of efforts to expand our resource recycling business.



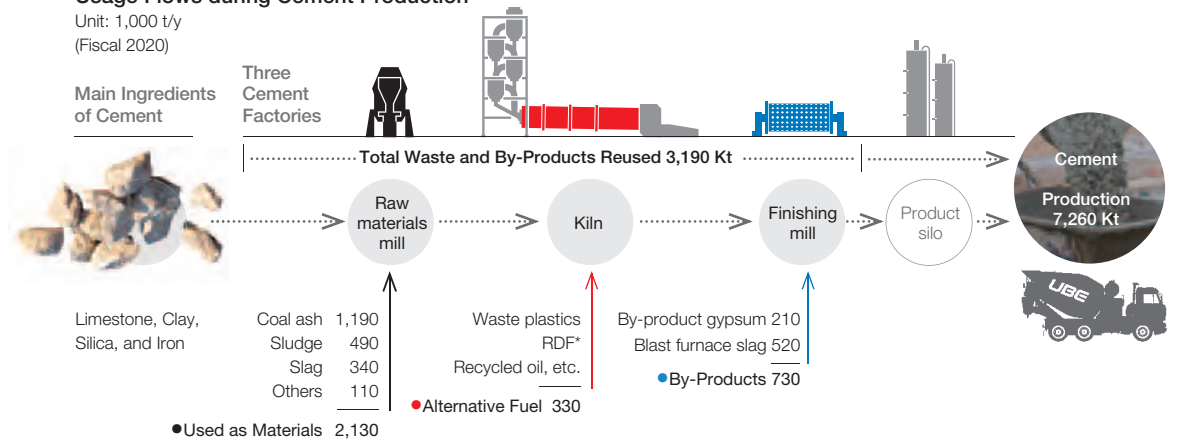
Please see Non-Financial Highlights on page 3 for details of our usage of waste substances and by-products.

Cement Factory Resource Recycling



Overview of Waste and By-Products Usage Flows during Cement Production

Unit: 1,000 t/y
(Fiscal 2020)



Glossary

* Refuse-derived fuel (RDF): A solidified fuel made of waste plastic, woodchips, and household waste.



Product Safety

Complying with Chemical Substance Management Laws and Regulations

Product safety is part of quality, and we work to manage this in line with our quality management system. We use our SDS*¹ production support system, as well as UBE-CHEMical Regulation Information Platform (U-CHRIP), a comprehensive database developed by UBE, for managing information about chemical substances, and other ICT to manage hazard information*² of substances we use and the compliance status of substances we handle to ensure that we adhere to laws and regulations.

Supply Chain Communication

We supply local-language versions of SDSs and product labels for all products, complying with regulations in each country to ensure the safe use of chemical products throughout the life cycle of products, and maintain websites for key product SDSs.

To realize green procurement*³, we are identifying hazardous chemical substances in our products and informing customers.

We endeavor to prevent logistics incidents and enhance logistics by improving information that can be used in the event that something goes wrong during transportation.

Cooperating with Industry Associations

Since fiscal 2011, we have participated in the Japan Chemical Industry Association (JCIA)'s voluntary chemical substance risk management activities while gathering and disseminating hazard information and risk assessments.

We support the International Council of Chemical Association (ICCA)'s voluntary Long-Range Research Initiative, which focuses on the effects of chemical substances on human health and the environment.

Quality Assurance

Chemicals Segment

Regaining Trust by Steadily Implementing Measures to Prevent Issues from Recurring

The Chemicals segment is deploying measures to prevent a recurrence of quality inspection improprieties. We will work to regain stakeholder trust by steadily and continuously implementing these measures. To meet quality requirements specific to pharmaceuticals, the Pharmaceutical Division will remain committed to its Pharmaceutical Quality Policy through its proprietary pharmaceutical quality system.

All employees remain very quality conscious, seek to create value that is unique to the UBE Group, and endeavor to deliver attractive quality.

Construction Materials Company

Maintaining Safe and Reliable Product Supplies

The Construction Materials Company engages in cement, resource recycling, and energy businesses. It also supplies ready-mixed concrete, magnesia and calcia, and construction material products in Japan and abroad. The company's Quality Assurance Department oversees quality assurance and product safety systems. It conducts

quality and product safety audits, and has reinforced its training programs to prevent incidents from recurring. The company will keep pushing ahead with its activities while raising awareness among management and employees, focusing on fostering a corporate culture that ensures that everyone in the organization contributes to society by continuing to provide safe and reliable products that customers want.

Machinery Company

Continuing to Supply Quality Products and Services that Satisfy Customers and Build Trust

The Machinery Company develops products from customer-centric perspectives by amply identifying diverse needs and their underpinnings. It continues to provide safe and secure products and services across various fields, including molding machines, industrial machinery, bridges, and steel products. The company developed human resources to comply with and uphold regulations and standards relating to business activities while continuing to enhance quality management systems as part of an ongoing Groupwide pursuit of outstanding quality.

Glossary

*1 Safety Data Sheet (SDS): Documentation containing hazard and toxicity information about chemical substances that manufacturers disclose when supplying chemical substances and products incorporating them.

*2 Hazard information: Information on the inherent risks of chemical substances.

*3 Green procurement: Corporate purchases of raw materials, parts, and manufacturing facilities with minimal environmental footprints.

Consolidated 10-Year Financial Summary

Ube Industries, Ltd. and Consolidated Subsidiaries
For the years ended March 31

Results of Operations

(Millions of yen)

Breakdown of Net Sales by Reportable Segments

	Chemicals ¹	(Chemicals & Plastics)	(Specialty Chemicals & Products)	Pharmaceutical ²	Construction Materials	Machinery ³	Energy & Environment ²	Others	Elimination & Corporate
2012	—	231,026	64,368	11,186	209,155	72,575	62,518	25,911	(38,086)
2013	—	219,368	61,111	11,452	208,364	71,310	68,769	25,294	(39,646)
2014	—	230,585	63,160	9,706	223,513	75,511	59,073	28,816	(39,854)
2015	—	215,419	63,288	7,819	222,419	78,956	66,771	33,242	(46,155)
2016	266,736	—	—	9,280	237,343	73,435	69,066	16,792	(30,902)
2017	258,364	—	—	10,975	227,236	71,668	59,782	12,520	(23,982)
2018	305,432	—	—	10,213	238,854	90,140	71,361	4,797	(25,223)
2019	314,984	—	—	10,129	250,250	97,264	75,853	4,935	(23,258)
2020	286,041	—	—	—	303,037	90,799	—	4,576	(16,561)
2021	259,380	—	—	—	282,855	78,727	—	3,117	(10,190)

(Millions of yen)

	Net sales	Cost of sales	Selling, general and administrative expenses	Operating profit	Non-operating income (loss) ⁴	Ordinary profit ⁴	Extraordinary items ⁴	Profit before income taxes	Profit attributable to owners of parent
2012	638,653	512,447	80,200	46,006	(5,198)	40,808	(3,213)	37,595	22,969
2013	626,022	517,769	78,291	29,962	(1,917)	28,045	(12,203)	15,842	8,265
2014	650,510	546,340	79,757	24,413	(5,722)	18,691	975	19,666	12,623
2015	641,759	538,983	78,629	24,147	(919)	23,228	(4,737)	18,491	14,649
2016	641,750	519,960	80,382	41,408	(1,788)	39,620	(11,967)	27,653	19,111
2017	616,563	500,642	80,961	34,960	(1,612)	33,348	(415)	32,933	24,185
2018	695,574	560,100	85,224	50,250	478	50,728	(5,728)	45,000	31,680
2019	730,157	600,301	85,305	44,551	3,302	47,853	(3,175)	44,678	32,499
2020	667,892	549,698	84,161	34,033	1,691	35,724	(5,360)	30,364	22,976
2021	613,889	509,327	78,660	25,902	(2,609)	23,293	(860)	22,433	22,936

Notes: 1. The Chemicals & Plastics segment and the Specialty Chemicals & Products segment were integrated into the Chemicals segment on April 1, 2015.

2. The Pharmaceutical segment was integrated into the Chemicals segment and the Energy & Environment segment was integrated into the Construction Materials segment on April 1, 2019.

3. The Machinery & Metal Products segment changed its name to the Machinery segment on April 1, 2016.

4. Based on Japanese GAAP

Financial Position

(Millions of yen)

	Assets				Liabilities and Net Assets			
	Total current assets	Total property, plant and equipment, net	Total investments and other assets	Total assets	Total current liabilities	Total long-term liabilities	(Non-controlling interests)	Total net assets
2012	284,417	313,949	66,599	664,965	267,391	173,167	24,472	224,407
2013	287,399	323,717	74,768	685,884	250,936	184,195	34,736	250,753
2014	296,538	332,416	71,761	700,715	257,958	177,402	23,077	265,355
2015	282,816	347,438	81,292	711,546	239,500	182,436	25,718	289,610
2016	276,925	323,800	79,058	679,783	233,256	156,905	22,463	289,622
2017	295,041	331,443	82,895	709,379	245,828	153,150	23,179	310,401
2018 ⁵	316,876	334,262	91,307	742,445	253,098	152,486	20,837	336,861
2019	315,699	331,316	93,271	740,286	226,063	159,671	24,406	354,552
2020	303,956	330,042	93,271	727,269	199,336	173,486	21,479	354,447
2021	331,727	331,223	106,760	769,710	200,440	188,635	21,075	380,635

General

	Per Share Data ⁶ (Yen)			Other Data						
	Net income, primary	Cash dividends applicable to the period	Net assets	Return on sales (ROS) (%)	Return on assets (ROA) ⁷ (%)	Return on equity (ROE) ⁸ (%)	Shares of common stock issued ^{6,9} (thousands)	Number of consolidated subsidiaries	Number of shareholders with voting rights	Number of employees
2012	22.85	5.00	198.41	7.2	7.2	11.9	1,007,030	67	55,407	11,081
2013	8.22	5.00	214.35	4.8	4.8	4.0	1,007,017	67	57,243	11,090
2014	12.16	5.00	228.51	3.8	3.6	5.5	1,059,897	65	58,873	11,225
2015	13.85	5.00	248.89	3.8	3.8	5.8	1,059,955	71	64,449	10,702
2016	18.06	5.00	251.90	6.5	6.5	7.2	1,060,090	68	52,977	10,764
2017	22.85	6.00	270.76	5.7	5.5	8.7	1,060,316	70	51,769	10,928
2018	301.65	75.00	3,002.86	7.2	7.6	10.5	105,244	70	44,758	10,799
2019	312.36	80.00	3,261.23	6.1	6.9	10.1	101,258	71	43,013	11,010
2020	227.33	90.00	3,287.73	5.1	5.2	6.9	101,318	69	44,732	10,890
2021	226.79	90.00	3,549.52	4.2	3.7	6.6	101,144	66	54,045	10,897

Notes: 5. We have restated financial position numbers for fiscal 2017 in line with a change in accounting standards.

6. The Company consolidated every 10 shares into one share, effective October 1, 2017.

7. ROA = (Operating profit + Interest and dividend income + Share of profit of entities accounted for using equity method) / Average total assets

8. ROE = Profit attributable to owners of parent / Average shareholders' equity

9. Share of common stock issued excluded treasury stock

Network

(As of March 31, 2021)

Overseas Offices

UBE Corporation Europe, S.A. Unipersonal

Poligono El Serrallo, 12100 Grao de Castellon, Spain
Phone: +34-964-738000

UBE Europe GmbH

Immermannhof, Immermannstr. 65B, D-40210 Düsseldorf, Germany
Phone: +49-211-17883-0

UBE America Inc.

38777 Six Mile Rd, Suite 400, Livonia, MI 48152, U.S.A.
Phone: +1-248-869-0050

UBE Chemicals (Asia) Public Company Limited

18th Floor, Sathorn Square Office Tower, No. 98 North Sathorn Road, Silom Sub-District, Bangrak District, Bangkok 10500, Thailand
Phone: +66-2206-9300

THAI SYNTHETIC RUBBERS COMPANY LIMITED

18th Floor, Sathorn Square Office Tower, No. 98 North Sathorn Road, Silom Sub-District, Bangrak District, Bangkok 10500, Thailand
Phone: +66-2206-9300

UBE (Shanghai) Ltd.

Room 2403, Shanghai International Trade Centre, Yan'an West Road 2201, Changning District, Shanghai 200336, China
Phone: +86-21-6273-2288

UBE TAIWAN CO.,LTD.

Room 303, 3F, No. 205, Dunhua N. Rd., Taipei 105, Taiwan
Phone: +886-2-8712-7600

UBE KOREA CO.,LTD.

2nd Floor, Donghooon Tower, 317, Teheran-ro, Gangnam-gu, Seoul 06151, Korea
Phone: +82-2-557-7590

UBE Singapore Pte.Ltd.

150 Beach Road #20-05, Gateway West, Singapore 189720
Phone: +65-6291-9363

UBE INDUSTRIES INDIA PRIVATE LIMITED

Office No. 304, 3rd Floor, Times Tower, M.G. Road, Sector-28, Gurgaon 122001, Haryana, India
Phone: +91-124-422-7801-03

UBE Latin America Servicios Ltda.

Rua Iguatemi, 192-13th Floor, Room 134, CEP 01451-010, Itaim Bibi, São Paulo, SP, Brazil
Phone: +55-11-3078-5424

Major Consolidated Subsidiaries

Company Name	Business	Country	Net Sales			
			Currency	2019/3	2020/3	2021/3
UBE Corporation Europe, S.A. Unipersonal	Manufacture and sales of nylon, caprolactam, ammonium sulfate, and fine chemical products	Spain	EUR million	382.9	343.3	304.7
UBE Chemicals (Asia) Public Company Limited	Manufacture and sales of nylon, caprolactam, and ammonium sulfate	Thailand	THB billion	13.3	9.1	8.2
THAI SYNTHETIC RUBBERS COMPANY LIMITED	Manufacture and sales of polybutadiene rubber	Thailand	THB billion	4.6	3.6	2.9
UBE Fine Chemicals (Asia) Co.,Ltd.	Manufacture and sales of 1,6-Hexanediol (HDL), 1,5-Pentanediol (PDL), and polycarbonate diol (PCD)	Thailand	THB billion	1.1	1.0	1.1
UBE Film, Ltd.	Manufacture and sales of plastic film products	Japan	JPY billion	9.8	9.8	9.4
UBE EXSYMO CO., LTD.	Manufacture and sales of polypropylene molded products, fibers, and fiber-reinforced plastics	Japan	JPY billion	13.5	13.6	12.3
Ube Material Industries, Ltd.	Manufacture and sales of magnesia clinker, quicklime, slaked lime, etc.	Japan	JPY billion	49.9	47.6	39.7
UBE Shipping & Logistics, Ltd.	Domestic shipping, harbor transportation, shipping-agent services, and customs clearing	Japan	JPY billion	18.7	19.6	18.1
UBE Construction Materials Sales Co., Ltd.	Sales of cement, ready-mixed concrete, building materials, etc.	Japan	JPY billion	63.8	58.2	64.6
Sanshin Tsusho Co., Ltd.	Sales of building materials, public works materials, etc.	Japan	JPY billion	23.6	23.3	21.7
Kanto Ube Holdings Co., Ltd. (And 4 Other Subsidiaries)	Manufacture and sales of ready-mixed concrete	Japan	JPY billion	13.0	13.4	14.3
UBE Construction Materials Co., Ltd.	Manufacture, sales, and construction of construction materials	Japan	JPY billion	10.6	10.7	10.2
UBE Machinery Corporation, Ltd.	Manufacture and sales of and services for molding machines, industrial machinery, and bridges, etc.	Japan	JPY billion	44.8	46.8	42.2
UBE Steel Co., Ltd.	Manufacture and sales of cast iron and steel products and rolled steel billets	Japan	JPY billion	23.6	20.4	19.8
UBE Machinery Inc.	Manufacture and sales of and services for molding machines	U.S.A.	USD million	71.0	46.7	54.2
UBE Machinery (Shanghai) Ltd.	Manufacture of molding machines, and sales of and services for molding machines and industrial machinery	China	RMB million	177.2	144.4	117.4

Major Equity-Method Affiliates

Company Name	Business	Country
Techno-UMG Co., Ltd.	Development, manufacture, and sales of ABS resin and ABS polymer alloy products	Japan
UBE-MARUZEN POLYETHYLENE Co., Ltd.	Development, manufacture, and sales of low-density polyethylene and HAO-LLDPE	Japan
Chiba Butadiene Industry Company, Limited	Manufacture and sales of butadiene	Japan
LOTTE UBE Synthetic Rubber SDN. BHD.	Manufacture and sales of polybutadiene rubber (synthetic rubber)	Malaysia
SUMaterials Co., Ltd.	Production of polyimide for substrates to be used in next-generation displays	Korea
UBE-MITSUBISHI CEMENT CORPORATION	Sales of cement, soil-stabilizing cement, slag, etc.	Japan

Investor Information

(As of March 31, 2021)

Cover photos

Ube Industries, Ltd.

Effective from April 2022, UBE will change its trade name from Ube Industries, Ltd. to UBE Corporation.

Head Office	Tokyo Head Office Seavans North Bldg., 1-2-1, Shibaura, Minato-ku, Tokyo (General Affairs Dept.) 105-8449, Japan Phone: +81-3-5419-6110 Fax: +81-3-5419-6230 Ube Head Office 1978-96, Kogushi, Ube, Yamaguchi 755-8633, Japan Phone: +81-836-31-2111 Fax: +81-836-21-2252
Establishment	1897
Consolidated Companies	92 (66 consolidated subsidiaries and 26 equity-method affiliates)
Fiscal Year	April 1 to March 31
Common Stock	Outstanding: 101,144,078 shares (excluding treasury stock of 5,056,029 shares)
Paid-in Capital	¥58.4 billion
Number of Shareholders with Voting Rights	54,045
Annual General Shareholders' Meeting	June
Stock Exchange Listings	Tokyo Stock Exchange (Code: 4208) Fukuoka Stock Exchange
Transfer Agent and Share Registrar	Mitsubishi UFJ Trust and Banking Corporation, 1-4-5, Marunouchi, Chiyoda-ku, Tokyo 100-8212, Japan
Independent Auditors	Ernst & Young ShinNihon LLC



Nylon



Caprolactam



Ready-mixed concrete

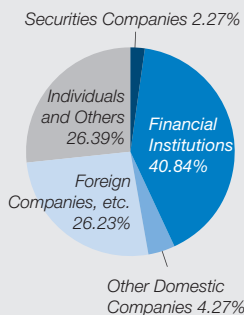


Polyimide



Injection molding machines

Shareholder Composition

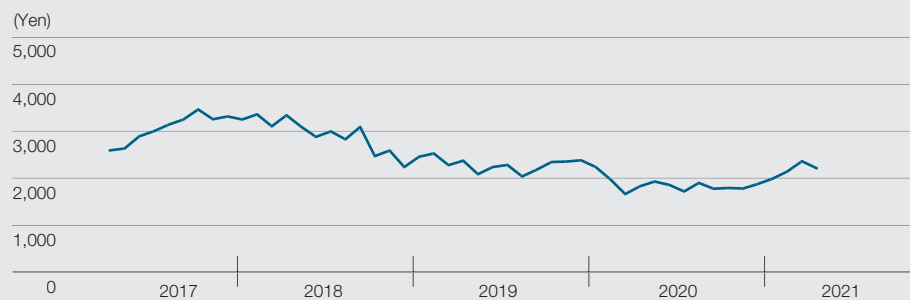


Major Shareholders

Shareholder	Share Units Owned	Percentage of Voting Rights (%)*
The Master Trust Bank of Japan, Ltd. (Trust Account)	11,199,400	11.07%
Custody Bank of Japan, Ltd. (Trust Account)	6,571,300	6.50%
SUMITOMO LIFE INSURANCE COMPANY	2,000,000	1.98%
Nippon Life Insurance Company	1,600,009	1.58%
THE YAMAGUCHI BANK, Ltd.	1,548,264	1.53%
Custody Bank of Japan, Ltd. (Trust Account 5)	1,513,600	1.50%
Custody Bank of Japan, Ltd. (Trust Account 6)	1,344,300	1.33%
JP MORGAN CHASE BANK 385781	1,320,168	1.31%
THE BANK OF NEW YORK MELLON 140044	1,272,400	1.26%
The Norinchukin Bank	1,237,409	1.22%

* Shares owned divided by common stock issued excluding treasury stock

Stock Price



The UBE Group publishes information for its stakeholders through a variety of media.



UBE Group's Website <https://www.ube-ind.co.jp/ube/en/>



Investor Relations
Management policies, finances, results, and shareholder information and IR materials are available in the Investor Relations section of the UBE Group's website:
<https://www.ube-ind.co.jp/ube/en/ir/>



Sustainability
Information regarding environmental and safety initiatives, compliance, risk management, corporate governance, human rights and labor, and quality are available in the CSR Activities section of the UBE Group's website:
<https://www.ube-ind.co.jp/ube/en/sustainability/>

UBE INDUSTRIES, LTD.

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Tokyo Head Office (Finance & Investor Relations Dept.)
Seavans North Bldg., 1-2-1, Shibaura, Minato-ku,
Tokyo 105-8449, Japan
Phone: +81-3-5419-6116
Fax: +81-3-5419-6234

Ube Head Office
1978-96, Kogushi, Ube, Yamaguchi 755-8633, Japan
Phone: +81-836-31-2111
Fax: +81-836-21-2252

<https://www.ube-ind.co.jp/ube/en/>



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

