

Vision UBE 2025 — Prime Phase

Management Overview Briefing

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Ube Industries, Ltd.

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I

FY2020 Business Results and FY2021 Forecast

FY2020 Financial Summary



(Billion yen)

		FY2019	FY2020	Difference
Key Figures	Operating profit	34.0	25.9	(8.1)
	Profit attributable to owners of parent	22.9	22.9	(0)
Key Indicators	Return on sales (ROS)	5.1%	4.2%	(0.9)%
	Return on equity (ROE)	6.9%	6.6%	(0.3)%

■ Year-on-Year

- Due to the impact of COVID-19, demand declined significantly in the chemicals and machinery segments centering on the first half of the fiscal year. Market conditions also declined in the chemicals segment. Operating profits were down despite benefiting from cost reductions as coal prices declined and due to cost-cutting, owing to scheduled maintenance of the ammonia plant.
- Profit attributable to owners of the parent was in line with fiscal 2019, owing to a reduction in taxes in accordance with a partial reversal of deferred tax liabilities.

■ Versus Forecast

- Operating profits were generally in line with the initial forecast (¥26.0 billion), as declining market conditions for chemicals were offset by the benefits of lower coal prices and cost reductions.
- Profit attributable to owners of the parent was higher than the initial forecast (¥14.0 billion) due to a reduction in taxes in accordance with a partial reversal of deferred tax liabilities.

■ Measures Taken

- 1. Alliances, mergers, and acquisitions:** Integration of cement business (with Mitsubishi Materials Corporation), establishment of joint venture for electrolytes (with Mitsubishi Chemical Corporation)
- 2. Capacity increases:** Synthetic rubber (Thailand), polycarbonate diol (PCD; Thailand), separators (Sakai, Japan), commenced construction to expand production of polyimide raw material (Ube, Japan)
- 3. Reorganization:** Absorption of Ube Ammonia Industry, Ltd., realignment of injection molding machine business through absorption of U-MHI Platech Co., Ltd. etc

FY2021 Earnings Forecast



- Earnings projected to recover from impact of COVID-19, with both **net sales** and **operating profits forecasted to increase in real terms**

(Net sales projected to decline due to **application of Accounting Standard for Revenue Recognition**)

(Billion yen)

Item	FY2020	FY2021	Difference
Net sales	613.8	570.0 650.0	(43.8) 36.2
Operating profit	25.9	37.0	11.1
Ordinary profit	23.2	34.5	11.3
Profit attributable to owners of parent	22.9	21.0	(1.9)
Interest-bearing liabilities	214.7	185.0	(29.7)
Shareholders' equity	359.0	360.0	1.0
Return on equity (ROE)	6.6%	5.8%	(0.8)%
D/E ratio [times]	0.60 times	0.51 times	(0.09) times

Note: Figures shown at the bottom of each table are before applying Accounting Standard for Revenue Recognition

FY2021 Earnings Forecast by Segment



- Profits in the chemicals and machinery segments projected to increase as demand recovers, while profits expected to decline in the construction materials segment due to the impact of rising coal prices

(Billion yen)

Segment	Net sales			Operating profit		
	FY2020	FY2021	Difference	FY2020	FY2021	Difference
Chemicals	259.3	280.0 290.0	20.7 30.7	8.1	20.5	12.4
Construction Materials	282.8	200.0 270.0	(82.8) (12.8)	14.7	11.5	(3.2)
Machinery	78.7	95.0 95.0	16.3 16.3	2.8	5.0	2.2
Others	3.1	3.0 3.0	(0.1) (0.1)	0.4	0.5	0.1
Adjustment*	(10.1)	(8.0) (8.0)	2.1 2.1	(0.3)	(0.5)	(0.2)
Total	613.8	570.0 650.0	(43.8) 36.2	25.9	37.0	11.1

*Includes elimination of inter-segment transactions

Note: Figures shown at the bottom of each table are before applying Accounting Standard for Revenue Recognition



Progress of Vision UBE 2025 — Prime Phase

Vision UBE 2025

Vision for the UBE Group in 2025 and strategies for realizing that vision

Vision UBE 2025 — Prime Phase

Medium-term management plan for the next three years through fiscal 2021, a milestone on the road to achieving Vision UBE 2025

■ Vision for 2025

“We Continue to Create Value for All Stakeholders”

The UBE Group will anticipate market needs and create products and services that are in harmony with the environment. Furthermore, the Group will positively contribute to all stakeholders as a corporation with a global presence.

■ Strategies for Realizing the 2025 Vision

1. Leverage the consolidation of the organization under three internal companies to promote independent business development and governance for each internal company
 - (1) Chemicals: Further stabilize revenues and drive the growth of the entire Group
 - (2) Construction Materials: Generate stable profits and cash flow, and expand new businesses
 - (3) Machinery: Operate the business according to its business characteristics and increase the value of the business.
2. View changes in the business environment as both challenges and opportunities, linking them to growth
 - (1) Be part of the solution for global environmental issues
 - (2) Capture new markets through further globalization
 - (3) Enhance governance and foster a healthy corporate culture
3. Key measures to address management and business issues
 - (1) Expand human management resources
 - (2) Utilize ICT

■ Medium-Term Management Plan: Basic Strategies

1. Strengthening the platform for business growth
2. Strengthening the management platform (corporate governance)
3. Addressing and being part of the solution for resource, energy, and global environmental issues

Medium-Term Management Plan: Progress of Numerical Targets



- Although in the process of recovering from the impact of COVID-19, the projections differ significantly from the numerical targets for the last fiscal year of the medium-term management plan

Key Figures

Item	FY2019 (Results)	FY2020 (Results)	FY2021 (Forecast)	(Billion yen)
				FY2021 (Original target)
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%

Note: Figures shown at the bottom of each table are before applying Accounting Standard for Revenue Recognition

Net Sales and Operating Income: Progress by Segment



(Billion yen)

Segment	Net sales				Operating profit			
	FY2019 (Results)	FY2020 (Results)	FY2021 (Forecast)	FY2021 (Original target)	FY2019 (Results)	FY2020 (Results)	FY2021 (Forecast)	FY2021 (Original target)
Chemicals	286.0	259.3	280.0 290.0	350.0	14.5	8.1	20.5	32.0
Construction Materials	303.0	282.8	200.0 270.0	330.0	14.5	14.7	11.5	16.5
Machinery	90.7	78.7	95.0 95.0	105.0	4.9	2.8	5.0	7.0
Others	4.5	3.1	3.0 3.0	5.0	0.5	0.4	0.5	0.5
Adjustment*	(16.5)	(10.1)	(8.0) (8.0)	(20.0)	(0.6)	(0.3)	(0.5)	(1.0)
Total	667.8	613.8	570.0 650.0	770.0	34.0	25.9	37.0	55.0

*Includes elimination of inter-segment transactions

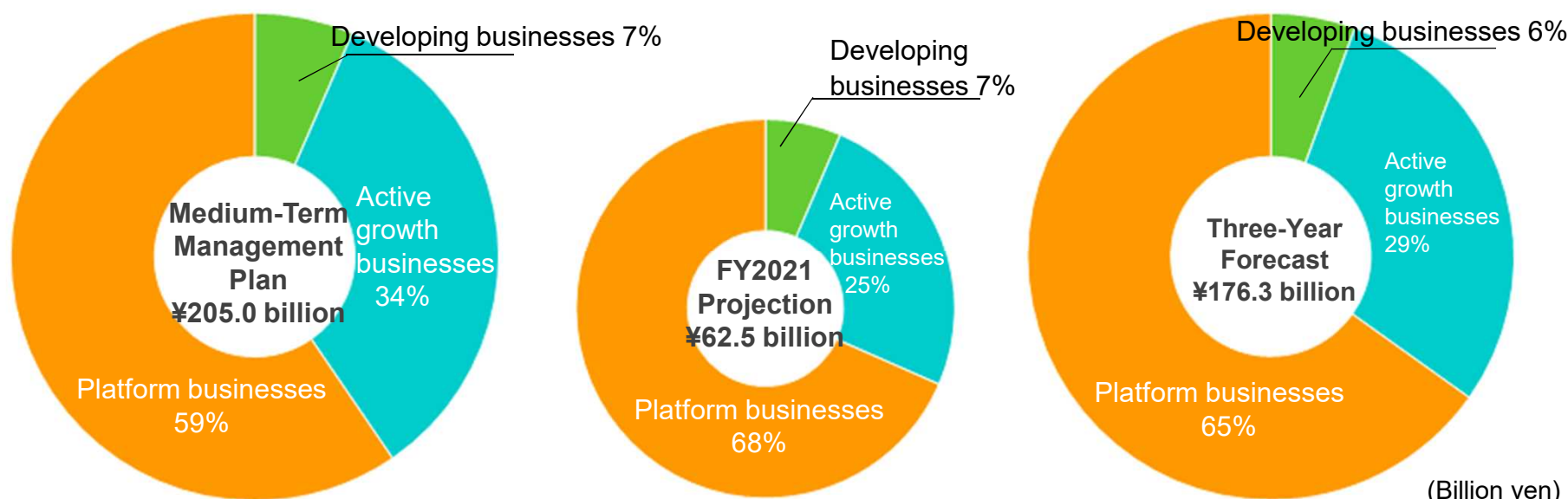
Note: Figures shown at the bottom of each table are before applying Accounting Standard for Revenue Recognition

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 Resources Allocation Plan by Portfolio Segmentation and Progress



- Overall investment amount will be lower than the projection due to the impact of COVID-19 and others, but the ratio of business resources allocated toward **active growth businesses** will be higher than the ratio (26%) in the previous medium-term management plan
- Continue a certain level of resource investment for **building business platform** and for **reducing costs through streamlining** in order to ensure stable operations



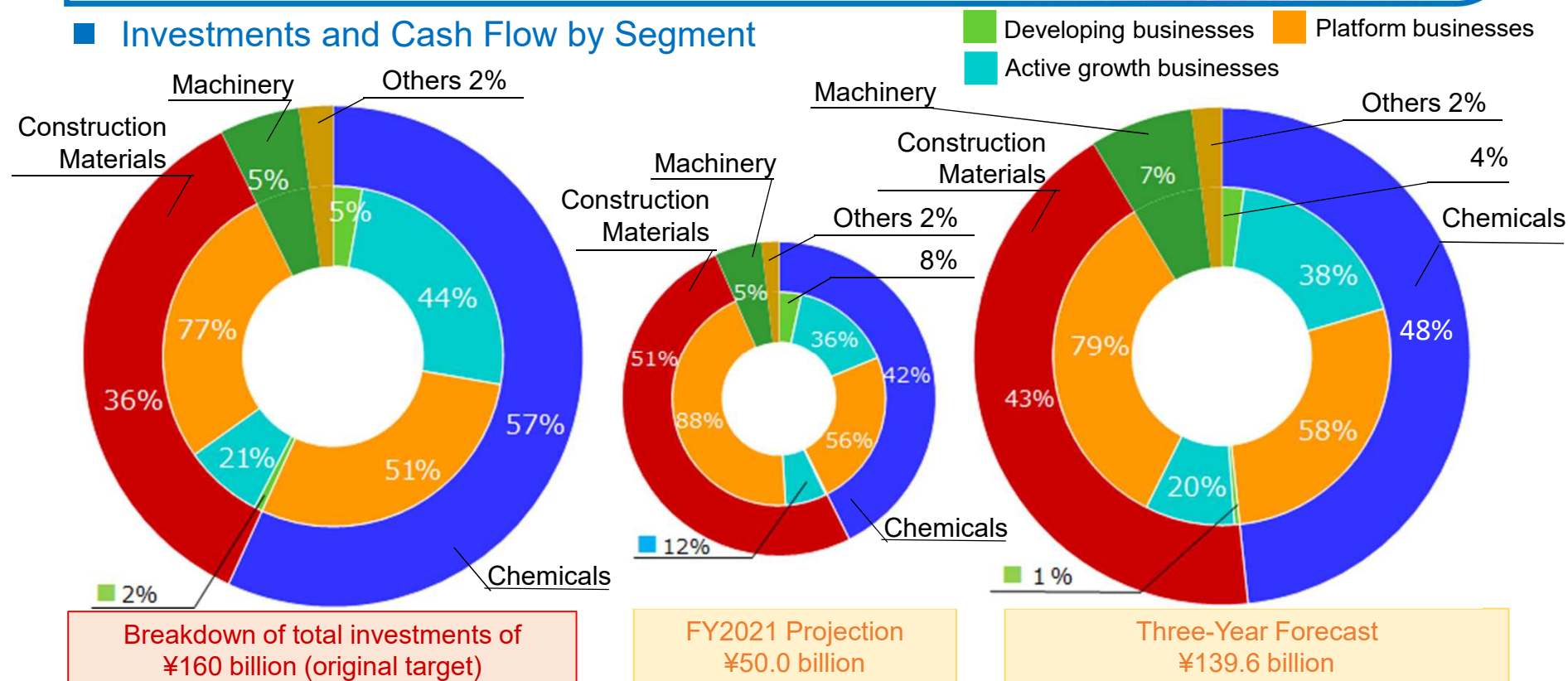
(Billion yen)

	Medium-Term Management Plan (original target)	FY2021 Projection	Three-Year Forecast
Capital investment	140.0	44.0	128.7
Other investment (incl. M&A)	20.0	6.0	10.9
Research and development	45.0	12.5	36.7
Total	205.0	62.5	176.3

Investments and Cash Flow: Progress by Segment



Investments and Cash Flow by Segment



Three-Year Cash Flow Plan

(Billion yen)

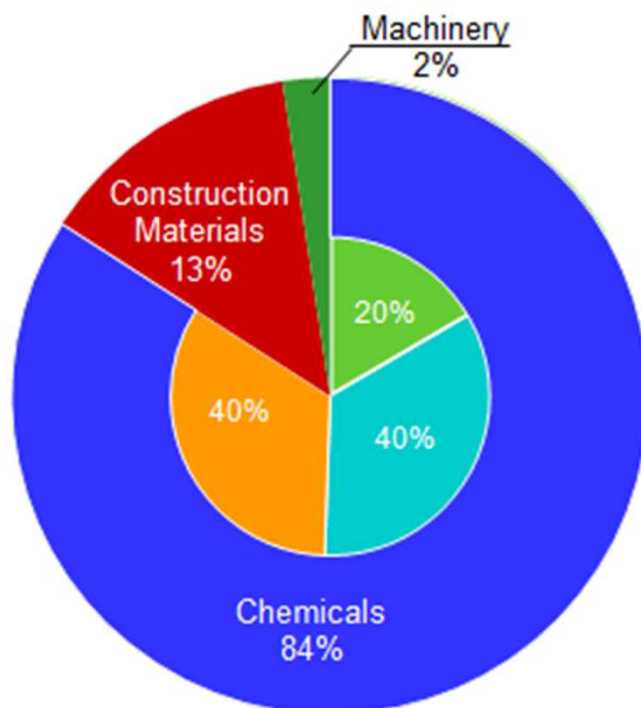
	Medium-Term Management Plan (original target)	FY2021 forecast	Three-Year Forecast
Operating cash flow	200.0	57.0	191.4
Investment cash flow	(160.0)	(50.0)	(130.0)
Free cash flow	40.0	7.0	61.4

R&D Costs: Progress

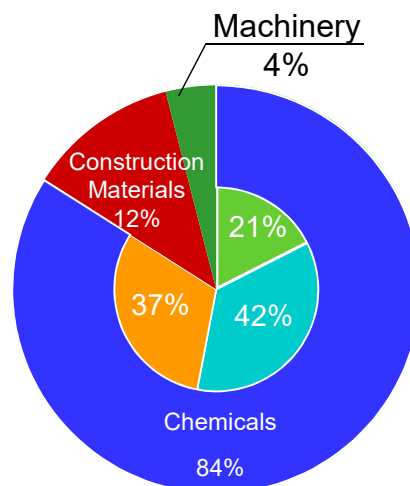


- Centering on the chemicals segment, allocate R&D resources with focus on the target business domains and active growth businesses

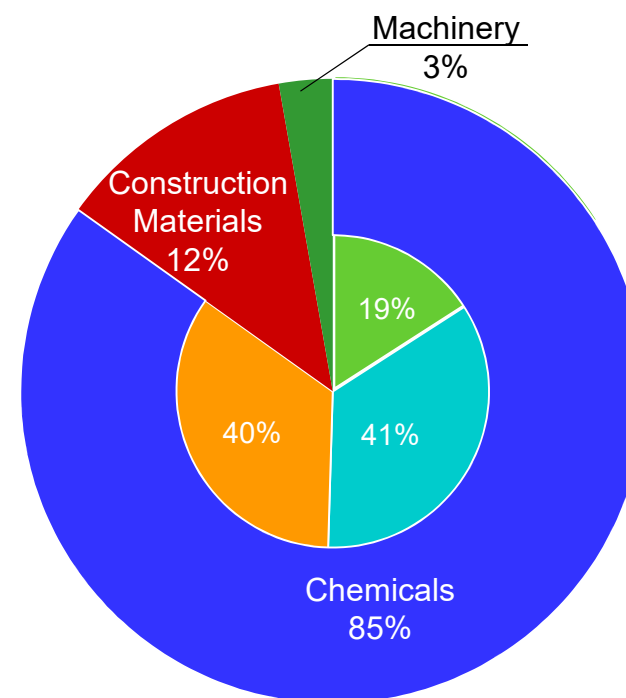
■ Developing businesses
 ■ Active growth businesses
 ■ Platform businesses



Breakdown of ¥45.0 billion R&D costs allocated in the medium-term management plan



FY2021 Projection
¥12.5 billion



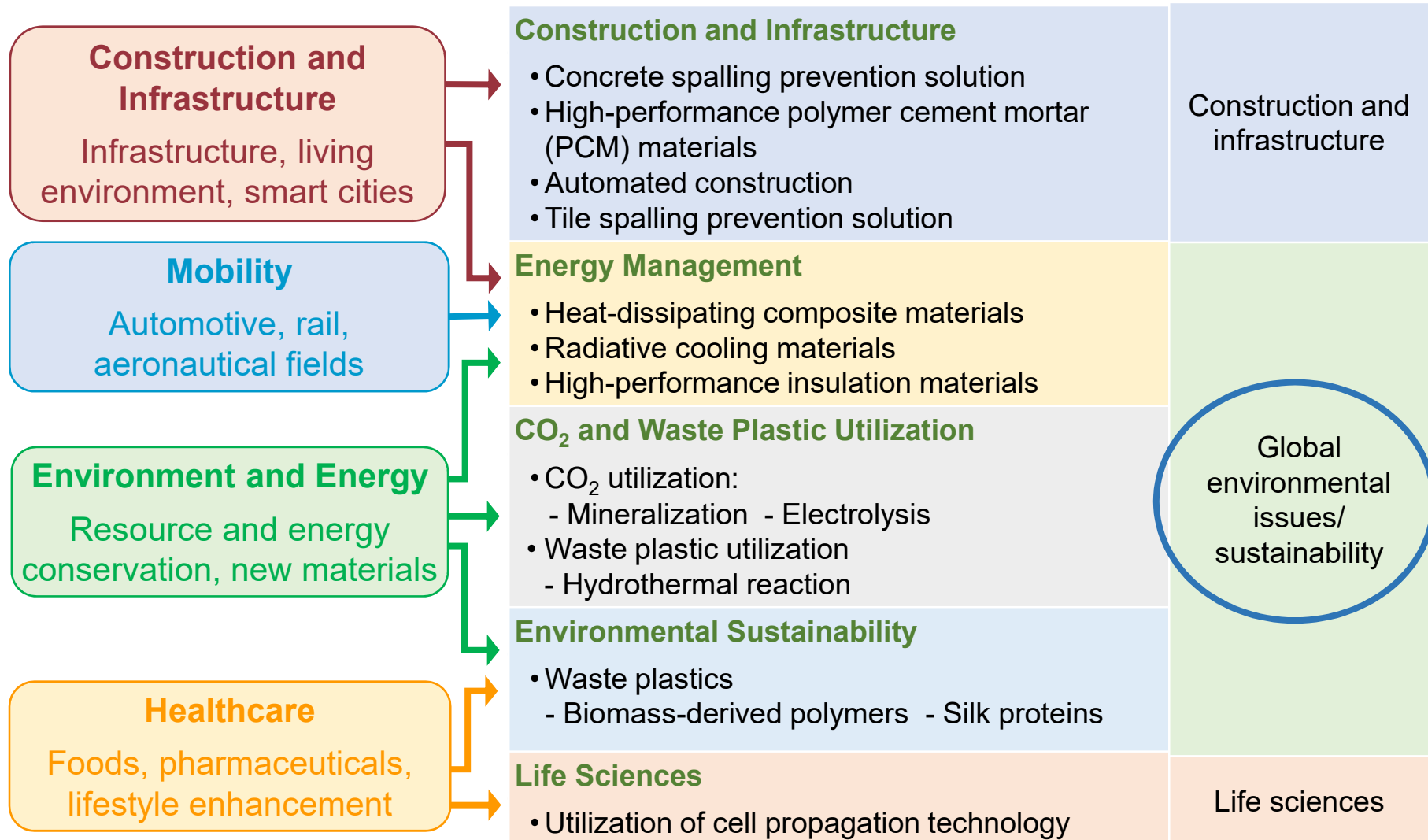
Three-Year Forecast
¥36.7 billion

Original target in medium-term management plan includes amounts related to production technologies. Actual results and forecast do not include amounts related to production technologies, accounting for the difference. However, actual R&D spending is generally proceeding according to plan.

R&D: Five Priority Fields



- Now focusing on five fields from four business domains previously, to create new businesses



R&D Projects for Environmentally-Friendly Products and Technologies



Project Name	Project Description
Energy Management	
Heat-dissipating composite materials	Development of high thermal conductivity materials for power electronics
Radiative cooling materials	Development of heat-dissipating materials using radiative cooling effect
High-performance insulation materials	Develop high-performance insulating sheets for plants
CO₂ and Waste Plastic Utilization	
CO ₂ utilization for polycarbonate diol	Study of polycarbonate diol manufacturing method using CO ₂ as a raw material
CO ₂ mineralization*	Accelerated carbonation of CO ₂ utilizing calcium in industrial waste
CO ₂ electrolytic olefin synthesis*	Conversion of CO ₂ to useful chemical raw materials through electrolysis
Nitrogen cycle*	Effective utilization of NO _x in exhaust gases through conversion to ammonia
Multilayer film recycling*	Separation and recycling of multilayer plastic films through hydrothermal processing
Chemical recycling of reinforced nylon components	Study of depolymerization and repolymerization of glass fiber-reinforced PA6
Recycled materials from waste plastics	Development of new functional recycled materials from waste plastics
	Waste plastic material recycling
Recycled nylon material made from waste fishing nets	Compound materials from recycled nylon made from waste fishing nets and recycled carbon fiber
Adoption of Ebara Ube Process (EUP) for gasification of waste plastics	Chemical recycling of waste plastics by technology licensor (JGC Corporation)
Environmental Sustainability	
Biomass-derived polymer raw materials*	Development of new manufacturing methods for biomass-derived polymer raw materials
CNF/PA6 composites*	Development of PA composites using cellulose nanofibers
PA66 alternative nylon	Development of manufacturing technology for bio-based high-strength PA as PA66 alternative
Silk proteins	Development of applications for functional proteins made from silkworm cocoons
Biomass-derived PA	Study of biomass-derived copolymer PA

*New Energy and Industrial Technology Development Organization (NEDO) project



UBE Group's Initiatives for Global Environmental Issues

UBE Group Policy for Achieving Carbon Neutrality by 2050



Taking a further step forward from the UBE Group Environmental Vision 2050 that was announced in May 2020, the UBE Group in April 2021 announced **a policy to achieve carbon neutrality by 2050**. The policy calls for the UBE Group to achieve net-zero emissions of greenhouse gases (GHGs) from its business activities. The Group will also strive to help the broader society become carbon neutral by pursuing R&D for products and technologies that are beneficial for the environment and the practical application of eco-friendly innovations. The UBE Group will work as a leading solution provider to help realize a decarbonized society.

UBE Group Policy for Achieving Carbon Neutrality by 2050

1. Achieve carbon neutrality for the Group's business activities (minimizing GHG emissions and developing innovative technologies), by:

- (1) Practicing rigorous energy conservation and making process improvements
- (2) Maximizing the use of CO₂-free energy
- (3) Realigning the business structure to reduce dependency on fossil resources (minimize the use of fossil resources)
- (4) Pursuing R&D and bringing products to market in fields such as CO₂ utilization technology and non-fossil raw materials

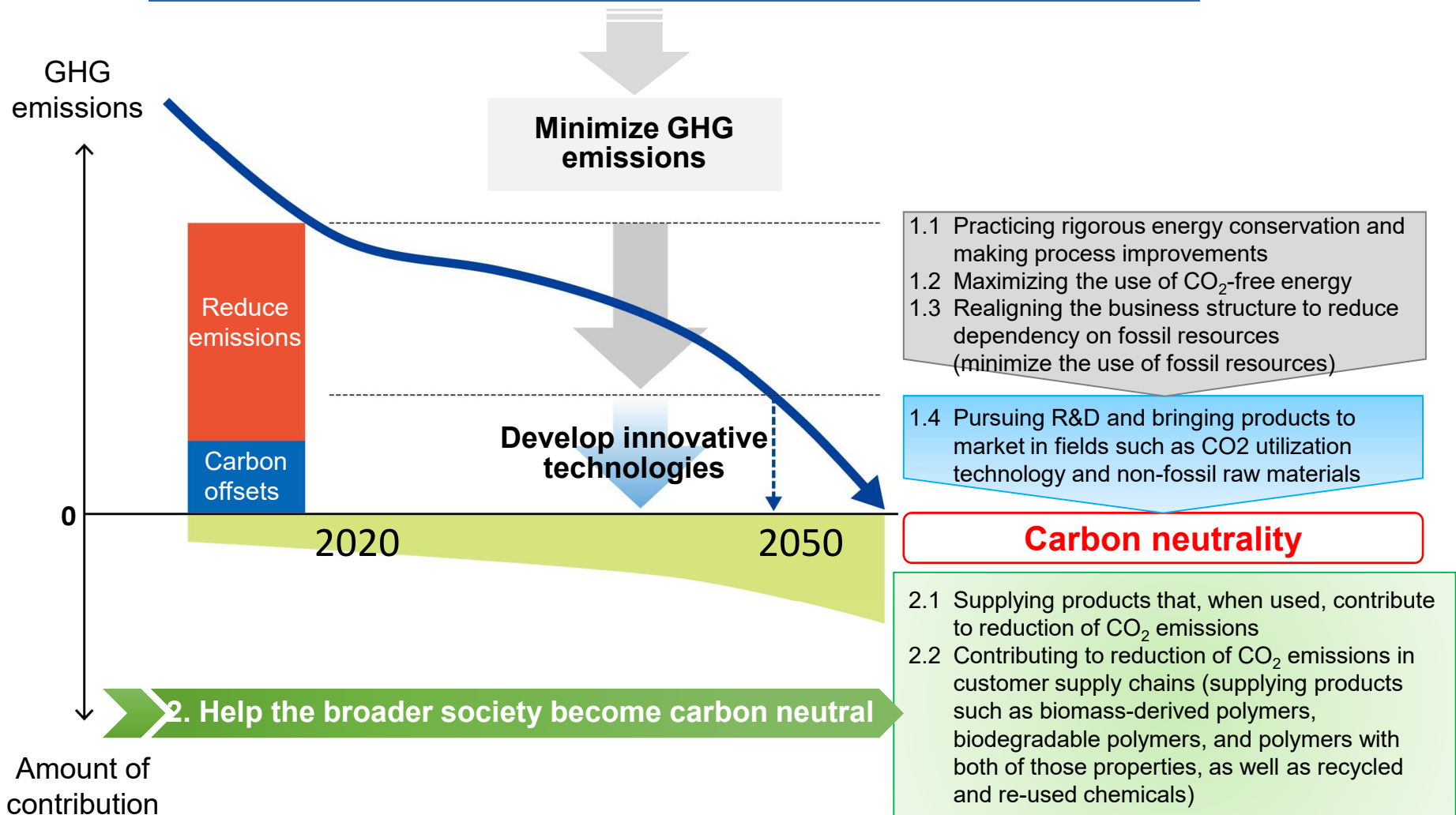
2. Help the broader society become carbon neutral, by:

- (1) Supplying products that, when used, contribute to reduction of CO₂ emissions
- (2) Contributing to reduction of CO₂ emissions in customer supply chains (supplying products such as biomass-derived polymers, biodegradable polymers, and polymers with both of those properties, as well as recycled and re-used chemicals)

UBE Group Policy for Achieving Carbon Neutrality by 2050



1. Achieve carbon neutrality for the Group's business activities



Initiatives to Address Global Environmental Issues



■ Critical issue for UBE Group: Addressing climate change

FY2030 PKI for Addressing Climate Change

Item	Target
Addressing climate change	Achieve 20% reduction of GHG emissions in chemicals segment by FY2030 compared with FY2013 levels

PKIs and Initiatives to Address Four Global Environmental Issues

Item	Targets/Initiatives
Global Environmental Issues	Aim for environmentally-friendly products and technologies to account for 50% or more of net sales by FY2030
Climate change	Supply materials and products that help to reduce GHG emissions and/or capture GHGs, etc.
Marine plastics	Develop and supply solutions that contribute to solving issues with plastics
Biodiversity conservation	Contribute to a healthy natural environment and biodiversity conservation through business activities
Water resource conservation	Contribute to the conservation of water resources through appropriate use and management of water

R&D projects for environmentally-friendly products and technologies (P.16)

Stipulate internal guidelines for environmental products and technologies, based on impact of natural environment on organizations as stated in revised ISO 14001:2015

Applicable products: Synthetic rubber for energy saving tires, nylons for vehicle weight reduction, nylon for food packaging (food waste reduction), polyimide products (OLED-TV materials, EV motor insulation materials, etc.), lithium-ion battery (LiB) separators, gas separation membranes, Heliofresh, etc.

IV

Growth Strategy of UBE Group

Growth in Chemicals Segment



- April 2022: Cement business to be converted into an equity method affiliate
→ The UBE Group aims for further growth in chemicals segment

Target Direction

- Leverage our proven manufacturing capabilities fostered through more than 120 years in business and our strengths in specialty chemicals technology that we have refined, to continue creating value that is needed by a sustainable society. In this manner, we will realize sustainable growth as a global corporation that addresses global environmental issues and contributes to people's longevity, health, and a better future society.

Direction of Growth

- Change the composition of the business to focus on specialty chemicals
Build a resilient business portfolio with growth potential, whose composition centers on specialty chemicals that have a low energy burden and are resistant to swings in market conditions

Segment and Product Focus

Fine chemicals (incl. high-performance coatings), nylon composites, polyimide products (incl. separation membranes), etc.

Growth Strategies

1. Prioritize the allocation of business resources to core business and products that are positioned as specialty chemicals, and expand the business scale globally.
2. Pursue growth in fields peripheral to the core businesses, through mergers, acquisitions, and alliances.
3. Pursue R&D aimed at the practical application of innovative technologies and products that help to reduce environmental burdens and achieve carbon neutrality.

Integration of Cement Business



- April 2022: Integration of entire business portfolio of Cement and Construction Materials Company with cement business of Mitsubishi Materials as of April 2022

→ Create second largest cement manufacturing and marketing company in Japan

History Leading Up to Integration

- Establishment of Ube-Mitsubishi Cement Corporation in 1998 through 50/50 investment by UBE and Mitsubishi Materials, for integration of sales and logistics
→ Realize significant cost reductions including logistics costs, and increase market share (sales-based)
- Allocate business resources to growth fields while maintaining strong competitiveness amid changing business conditions. Both companies recognize the need to fully integrate their businesses including manufacturing, to maintain the growth cycle.
→ Further develop the existing relationship between the two companies and integrate their cement businesses. Capitalize on the respective strengths of both companies and realize synergies to achieve sustainable growth and build an operating framework that is optimal for both companies.

Expected Benefits of Integration

- Optimize the production framework and rebuild the sales and logistics frameworks → Improve efficiency throughout the supply chain and maximize synergies
- Merge production engineering, R&D, and other businesses → Enhance planning and development capabilities
→ Aim to improve revenues through synergies realized from integration

Growth Strategies after Integration

- Direct cash flows generated from the cement business in Japan toward concentrated investment in businesses that are anticipated to generate growth.*
*Overseas cement and ready-mix concrete and high-performance inorganic materials made from high-quality limestone
Through these efforts, the company will endeavor to realize sustainable growth as a corporation that is contributing to the development of social infrastructure and advancement of a recycling-oriented society

V

Segment Report: Business Plan and Progress

Chemicals: Nylon (Polymer) Strategy



- Optimize the global polymerizing capacity and product lineup
- Address environmental issues surrounding plastics

Immediate Business Conditions

- Three production bases in Japan, Thailand, and Spain continue to record high operating rates and sell out of production. Overall, has overcome the impact of COVID-19
- Demand for food-wrapping films is firm. Sales prices increased in accordance with improved market conditions for raw materials

Strategies of Current Medium-Term Management Plan

- Change business plan from pursuing business scale by increasing ratio of caprolactam for internal use, to pursuing profitability by optimizing polymerizing capacity
- Promote marketing and innovation based on market trends, such as material/chemical recycling, bio raw materials, weight reduction, thickness reduction

FY2020 Results

- Commenced study to optimize production allocation in Asia region, and decided to invest in production of added value product at plant in Thailand
- Expanded into industrial films in addition to food wrapping films → Contributed to vehicle weight reduction through increased adoption of pouch LiBs

FY2021 Strategies

- Configure manufacturing lines to match the needs of local markets in the Asia region including Japan
- Develop recycling technologies for nylon products to contribute to a circular society

Chemicals: Nylon (Composite) Strategy



- Expand the composite business in order to shift to specialty products
- Strengthen the framework for continuous development of added value products

Immediate Business Conditions

- Sales for automotive applications rapidly recovering, with production and sales of composite products up year-on-year

Strategies of Current Medium-Term Management Plan

- Expand composite production facilities outside of Japan and shift to high added-value products and technologies
- Build a framework for generating profits by strengthening the marketing and innovation functions

FY2020 Results

- Strengthened the foundations of the composite business and commenced commercial production of nylon composites at North American subsidiary Premium Composite Technology North America, Inc.
- Strengthened the composite development conducted at the Osaka Research & Development Center (ORDC), taking into account the market access
- Once again selected to supply plastic liner material for high-pressure hydrogen tank in new MIRAI fuel-cell vehicle continuing from debut model.
- Established a production system for high-pressure hydrogen tank liners in Spain as well. We envision the FCV deployment of OEM companies.

FY2021 Strategies

- Build a unified operating framework for manufacturing facilities and sales offices, to further expand and add depth to the composite business in North America
- Establish a composite business development group at ORDC, and strengthen the capabilities for developing global markets



MIRAI fuel-cell vehicle unit

Chemicals: Caprolactam and Ammonium Sulfate Strategy



- Secure stable operations and achieve cost reductions to increase overall competitiveness of ammonia chain
- Increase production and sales of high added value large-grain ammonium sulfate

Immediate Business Conditions

- Demand for caprolactam recovering as market conditions improve and spreads widen, as impact of COVID-19 fades in China
- Firm demand for ammonium sulfate, limited impact on sales from COVID-19 pandemic

Strategies of Current Medium-Term Management Plan

- Caprolactam: Maintain full production and achieve cost reductions while making certain to execute revenue-enhancing investments in Thailand.
- Ammonium sulfate: Full increase in production of large-grain ammonium sulfate (high added-value product)

FY2020 Results

- Ammonium sulfate: Maintained sales volumes for large-grain ammonium sulfate for Japanese market at fiscal 2019 levels, despite production limited by reduced production of caprolactam

FY2021 Strategies

- Caprolactam:
Continue stable operations and efforts for cost reductions
- Ammonium sulfate:
Ensure stable production and quality of large-grain ammonium sulfate for future sales opportunities. Accelerate development through the collaborative efforts of production bases in Japan, Thailand, and Spain, and increase the share of large-grain ammonium sulfate



Shipping facilities
of ammonium
sulfate

Chemicals: Fine and Industrial Chemicals Strategy



- Study business expansion by developing C1 chemical chain business in North America
- Study reconstruction of ammonia chain in Ube area

Immediate Business Conditions

- Adjusting product prices to reflect rising prices for raw materials and fuel
- Overall demand is firm partly due to recovery from impacts of COVID-19. In particular, demand is increasing for high-purity DMC for LiB applications in xEVs
- Demand for ammonia in Far East markets remains high due to unstable global supply

Strategies of Current Medium-Term Management Plan

- Study the establishment of North American manufacturing facilities for global development of C1 chemicals chain (DMC and PCD)
- Study reconstruction of ammonia chain in Ube area

FY2020 Results

- Continued feasibility studies regarding selected sites for C1 chemical manufacturing facilities in North America (since FY2019)
 - Commence study for establishing DMC joint venture in China in addition to manufacturing facilities in the U.S., to meet increased demand
- Enhance production capacity and increase sales of for high-purity nitric acid

FY2021 Strategies

- Made decision where to establish manufacturing facilities for C1 chemicals chain in North America, and establish DMC joint venture in China
- Secure stable ammonia production to take advantage of non-maintenance year (implemented every other year)



DMC manufacturing equipment

Chemicals: High-Performance Coating Strategy



- Promote marketing and innovation by strengthening the capability to propose solutions in the global market

Immediate Business Conditions

- Market for water-based and solventless polyurethane coatings currently expanding centering on Chinese market
- Firm demand having overcome impact of COVID-19

Strategies of Current Medium-Term Management Plan

- Polycarbonate diol (PCD): Accelerate global business development and increase sales
 - Construct second production line for PCD in Thailand and ensure the top share in the global market
 - Increase sales with a view toward capturing volume business in North and Central America and establishing manufacturing facilities in the U.S.
- Polyurethane dispersion (PUD): Develop the business in the Asian market, beyond niche markets in Japan
 - Strengthen the formulation engineering by collaborating with acrylic dispersion and additive manufacturers, and accelerate the market development
- Oxetane: Accelerate efforts to develop global market, centering on 3D printer applications
 - Strengthen the development capabilities and commence manufacturing and supply in Thailand



Second PCD manufacturing facilities in Thailand

FY2020 Results

- PCD: Secured full production levels through vertical startup of second production line in Thailand
- PUD: Developed markets according to plan

FY2021 Strategies

- PCD: Increase global production and sales and accelerate sales growth in North American market
- PUD: Built technical service center in Shanghai, China as demand continues to grow
Increase production capacity of existing facilities and commence study of new plant to be built in Asia during next medium-term management plan

Chemicals: Synthetic Rubber Strategy

UBE

- Strengthen the immediate business platform through unified operation of three production bases leveraging the UBEPOL brand
- Split off synthetic rubber business in Japan and strengthen profitability. Synthetic rubber business continues to be important and a focus

Immediate Business Conditions

Demand that had sharply declined due to the impacts of COVID-19 is steadily recovering

Strategies of Current Medium-Term Management Plan

Shift to specialty products for butadiene rubber (BR) business

- Bring to market new grades of vinyl cis rubber (VCR) with enhanced elasticity and improved fuel economy
- Develop next-generation BR with improved fuel economy and wear resistance

Strengthen platform in order to fulfill supply responsibilities

- Increase sales of added-value products
- Enhance cooperation between three global bases of production
- LUSR (Malaysia): Increase production and shift to VCR (start building VCR manufacturing facilities)



TSL Synthetic rubber manufacturing equipment

FY2020 Results

- Conducted global marketing capitalizing on three global bases of production
- Captured recovering demand without incurring opportunity losses

FY2021 Strategies

- Achieve operational safety and stability, strengthen cost competitiveness

Plant	Location	Start of Operation	Manufacturing Capacity (Kilotonnes/year)
Chiba	Japan	1971	126
TSL	Thailand	1997	75
LUSR	Malaysia	2015	50 → 72 (Scheduled for June 2021)
Total			273

Chemicals: Polyimide Strategy



- Steadily increase revenues as an active growth business

Immediate Business Conditions

- Market for varnishes for flexible OLEDs continues to grow
- Firm demand for chip-on-film (COF) for 4K and 8K displays, driven by stay-at-home demand
- Growth in markets for flexible printed circuit (FPC) substrates for smartphones and vehicles

Strategies of Current Medium-Term Management Plan

- Develop varnishes into a core product in addition to films
- Increase sales for displays, solar cells, and composite release liners, in addition to the market for electronic circuit substrates
- Enhance production capacity and implement cost reductions: Increase production through debottlenecking of biphenyl tetracarboxylic dianhydride (BPDA), and bring the existing film line to full production

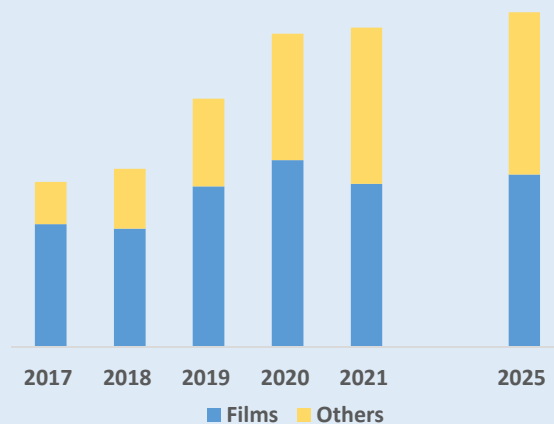
FY2020 Results

- Sales increased beyond projections in varnishes and chip-on-film (COF) and flexible printed circuit (FPC) films
- Made decision to build new BPDA plant (to begin operating in October 2023)
- Reached target for last fiscal year of current medium-term management plan, achieving it ahead of schedule in fiscal 2020

FY2021 Strategies

- Meet growth of flexible OLED market and firm demand for COF, and make certain to capture future new demand by developing new products and markets

Net Sales



Polyimide films

Chemicals: Separation Membrane Strategy



- Further strengthen the business platform for nitrogen membranes (core product)
- Focus on developing markets by developing new membranes for mobility and energy/environment

Immediate Business Conditions

- Demand for explosion-proofing applications in resources sector recovering gradually
- Demand for aircraft explosion-proofing applications recovering gradually starting from the second half of fiscal 2021, having been impacted by COVID-19
- Growth in environmental/energy market
Biogas application: Growth in methane concentration applications in North America and Europe
(Bioalcohol: Meet demand resulting from facility upgrades and capacity increases by customers)

Strategies of Current Medium-Term Management Plan

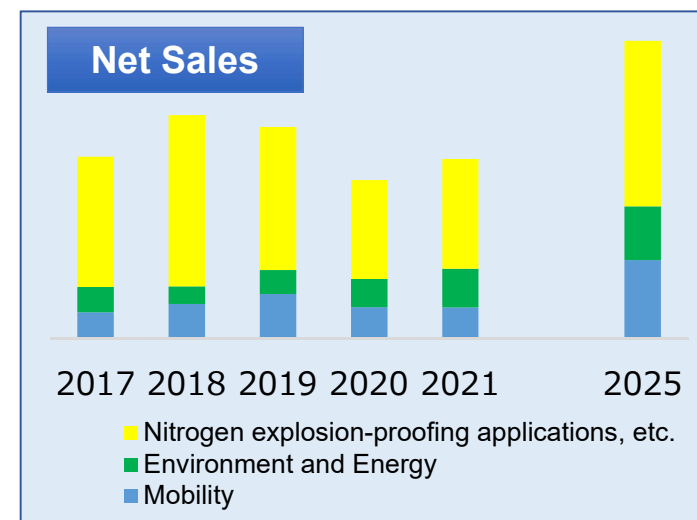
- Nitrogen: Increase competitiveness by strengthening sales offices
- Mobility: Increase adoption for aircraft and railway
- Environment & Energy: Increase sales in biogas and bioalcohol markets

FY2020 Results

- Increased sales in biogas market

FY2021 Strategies

- Strengthen business platforms in environment and energy sectors, and strengthen competitiveness of nitrogen membranes and dehumidifying membranes
- Expand the technology platform to address policies on carbon neutrality



Membrane Type	Main Applications
Nitrogen	Explosion-proofing (aircraft, resources, etc.)
Dehumidifying	Railway, instrumentation
Decarbonation	Biogas
Hydrogen, etc.	Recovery and purification of hydrogen, etc.

Chemicals: Separator Strategy



- Increase efficiencies through integrated management of non-coated and coated separators business
- Further capture increases in demand centering on vehicle applications by strengthening development and achieving cost reductions

Immediate Business Conditions

- Automotive demand was slow in first half of fiscal 2020 due to impact of COVID-19, but started to recover in second half with demand growing in fiscal 2021
- Increasing demand to secure cost reductions

Strategies of Current Medium-Term Management Plan

- Actively capture business with strong future promise
- Refine product qualities to fulfill performance requirements

FY2020 Results

- Not able to increase sales of both coated and non-coated separators as planned due to sharp decline in automotive demand caused by impact of COVID-19
- Operated new facilities according to plan during fiscal 2020

FY2021 Strategies

- Strengthen relationships with performance-oriented customers and make certain to capture next-generation projects of core customers
- Further strengthen the sales and development activities
- Realize cost reductions and increased sales through operation of new facilities



Chemicals: Pharmaceutical Strategy



- Strengthen the drug discovery pipeline and establish a production framework that meets market needs

Immediate Business Conditions

- Shift in drug discovery from lifestyle diseases to rare diseases and unmet medical needs
- Active pharmaceutical ingredient (API) needs are shifting toward small quantity, high-potency APIs with the shift in drug discovery and growth of the market for anti-cancer agents

Strategies of Current Medium-Term Management Plan

- Expand the scope of basic research, and accelerate and increase the efficiency of the search cycle through computational chemistry
- Shift to a group of manufacturing facilities that support small quantity, high-potency APIs
- Commercialize contract API manufacturing for nucleic acid drugs, which is an emerging new market

FY2020 Results

- Filed for U.S. Food and Drug Administration (FDA) approval of new drug application for EYBELIS®
- Supplied intermediates for Avigan® Tablet

FY2021 Strategies

- Establish order of priority for projects in drug discovery pipeline and advance projects to rapidly reach next stage
- Increase profits by commencing manufacturing of high-potency APIs at fifth pharmaceutical plant
- Strengthen technical capabilities and marketing for nucleic acid drugs



Fifth pharmaceutical plant

Construction Materials: Cement and Ready-Mix Concrete Strategy



- Overall strategy:
Continue supplying products that offer value for social infrastructure while contributing to the global environment

Cement and ready-mixed concrete

Immediate Business Conditions

- Demand for cement in Japan was up slightly compared with the FY2019 at 3.9 million tonnes, but at the lowest level since 1990.
- Coal prices up since FY2019
- Accelerated shift toward realizing a decarbonized society

Strategies of Current Medium-Term Management Plan

- Address declining demand for cement in Japan and rising coal prices through cost reductions and energy conservation
- Prepare for integration with Mitsubishi Materials Corporation and implement initiatives to rapidly realize synergies

FY2020 Results

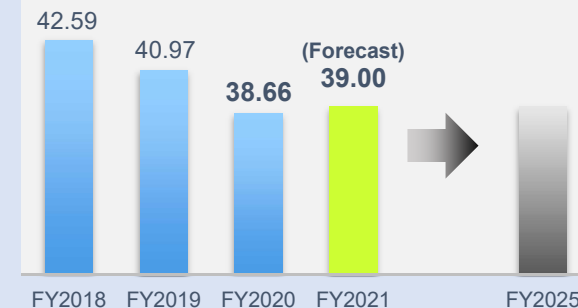
- Secured export orders centering on Chinese customers amid weak demand in Japan, to maintain full production levels at plants
- In September 2020, signed a definitive agreement with Mitsubishi Materials to integrate businesses

FY2021 Strategies

- Further improve framework for stable operations and shipment and implement measures for cost reduction
- Systematic reduction of GHG emissions by deploying high-efficiency coolers at Kanda Factory and building third facilities for waste plastics processing at Ube Factory
- Steadily advance preparations to integrate businesses with Mitsubishi Materials and rapidly realize synergies

Demand in Japan for Cement

(Million tonnes)



Construction Materials: Magnesia/Calcia and Energy Strategy



Magnesia/Calcia and Energy Businesses

Immediate Business Conditions

- Magnesia/Calcia: Steel and automotive production is on a recovery trend having overcome the worst impacts of COVID-19, but is still short of pre-COVID-19 levels
- Energy: Accelerated shift toward realizing a decarbonized society, and further increased interest in biomass fuel

Strategies of Current Medium-Term Management Plan

- Magnesia/Calcia: Realize stable operations and shift to high added-value products → Refurbish the second production line at the Ube Factory
- Fine materials: Expand sales by strengthening marketing and development capabilities, and make certain to capture demand
- Energy: Provide stable supply of competitive energy and expand biomass fuel business

FY2020 Results

- Magnesia/Calcia: Demand for high added-value product was comparatively firm amid declining demand for core products in steel and refractory applications, centering on first half of fiscal 2020
- Fine materials: Made certain to capture recovering demand from automotive industry, and steadily secured sales volumes
- Energy: Achieved stable production of torrefied pellets, and used coal center to store and supply palm kernel shells (PKS)

FY2021 Strategies

- Magnesia/Calcia: Increase production of high added-value magnesia, increase sales and production capacity of neutral solidification material
- Fine materials: Capture new business by strengthening MOS-HIGE sales and development, reduce costs, and expand applications
- Energy: Increase biomass fuel use at independent power producer (IPP) facilities, study manufacturing of torrefied pellets outside of Japan

Machinery: Metal & Plastics Processing Machinery Strategy



- Overall strategy: Benefit customers by supplying products and services with brand appeal

Metal & Plastics Processing Machinery

Immediate Business Conditions

- Automotive market was heavily impacted by COVID-19 in addition to U.S.-China trade friction, but is now on a gradual recovery trend
- Shift to xEVs is accelerating, creating growing needs for vehicle weight reduction and electrification

Strategies of Current Medium-Term Management Plan

- Die casting machines and extrusion presses: Increase profits by developing products to meet weight reduction and electrification needs and by developing markets
- Injection molding machines: Secure stable revenues by unified global business management and enhanced sales outside of Japan
- Machinery servicing: Continue to increase revenues by integrating and expanding the global servicing network
- All businesses: Increase productivity to support growth in the scale of the businesses

FY2020 Results

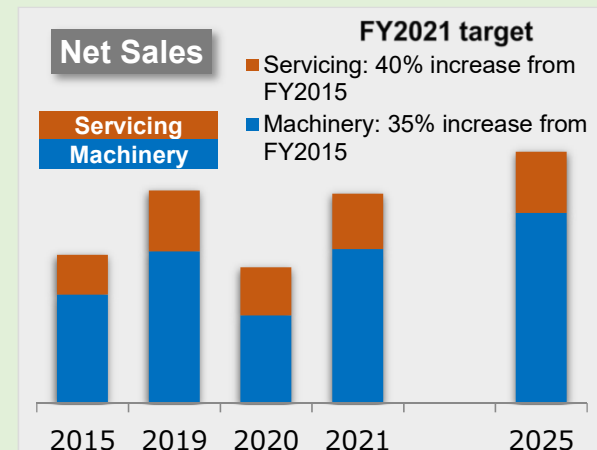
- Integrated the injection molding machine business (U-MHI Platech absorbed by Ube Machinery)
Commenced production at Nagoya Machinery Works, and developed and brought to market new models that leverage integration advantages
- Continued developing products and processes for automotive weight reduction needs

FY2021 Strategies

- Strengthen product competitiveness in preparation for the recovery of capital investment



Injection molding machine :
HH (Double H) Series



Machinery: Industrial Machinery Strategy



Industrial Machinery

Immediate Business Conditions

- Capital investment postponed both in and outside of Japan due to impact of COVID-19, with budgets being reduced
- Expect new markets for environmentally-friendly machinery to emerge toward efforts to realize carbon neutrality

Strategies of Current Medium-Term Management Plan

- Focus on process and cost management for current IPP projects to secure profits
- Create new revenue sources by developing products that are environmentally friendly and contribute to resource recycling, and through business alliances
- Machinery servicing: Increase revenues by strengthening the servicing capabilities outside of Japan and servicing of equipment from other companies

FY2020 Results

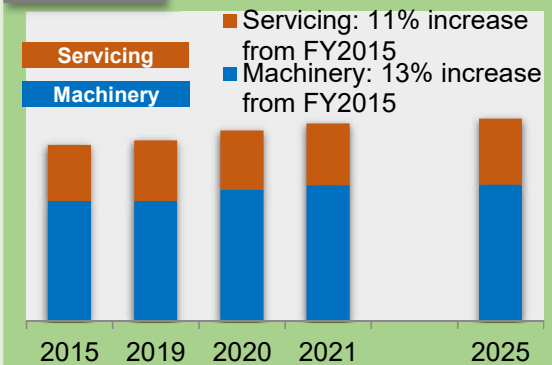
- Made steady progress in constructing previously ordered IPP projects
- Assumed chemical equipment business of Hitachi Plant Mechanics Co., Ltd. (July 2020)

FY2021 Strategies

- Chemicals equipment business to contribute revenues
- Create development projects for products that contribute to carbon neutrality

Net Sales

FY2021 target



Large shiploader

VI

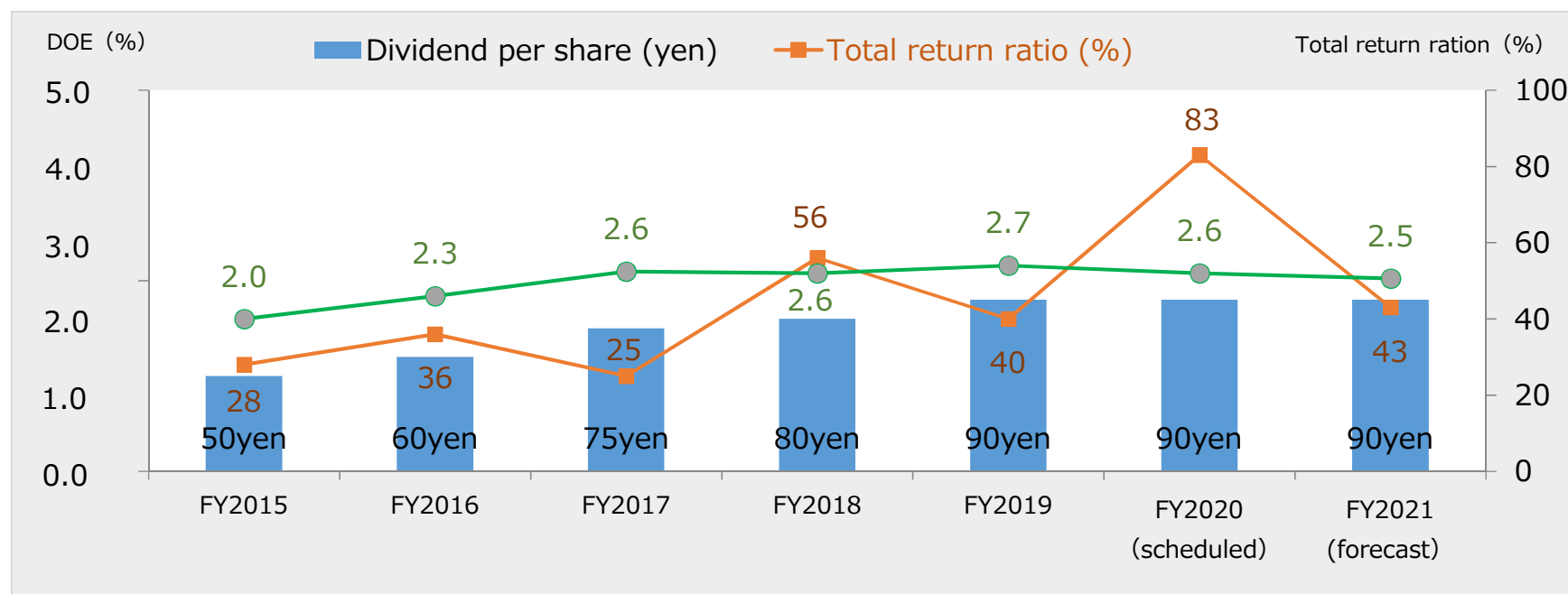
Shareholder Returns

Shareholder Returns



Dividend on equity (DOE) 2.5% or above
Consolidated total return ratio 30% or higher (average over three years)

- ◆ Shareholder returns for FY2020 will be 90 yen per share (planned) and 10 billion yen for buyback of shares.
- ◆ Projected FY2021 dividend of ¥90 per share equaling FY2020 dividend, through overall assessment based on UBE's policy on shareholder returns and current profit levels
- ◆ Balance of growth investment and shareholder returns, based on equity and cash flow situation



Note: Ube Industries conducted a consolidation of shares by consolidating every 10 shares into one share effective October 1, 2017. Dividends per share for FY2016 and earlier have been converted based on the shares after the share consolidation.



The forecasts contained in this presentation are based on certain assumptions judged to be reasonable by the Company when preparing this report. Actual results can vary significantly from forecasts, due to changes in a wide range of conditions. These conditions can include the economic status of major markets, demand and supply of products, prices for raw materials and fuel, interest and foreign exchange rates, and other prevailing conditions that can impact the business results of the Company.

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