UBE Corporation

Financial Results for the 1st Quarter FY2026

Explanatory material

August 7, 2026

1st Quarter: April - Jun

Key points of Financial Results for the 1st Quarter

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Consolidated Earnings

1. Net sales and operating profit increased due to the contribution of the Urethane Systems Business to consolidated earnings, solid sales of major products in the Specialty Products Segment, and price revisions implemented in response to rising raw material prices in the Polymers & Chemicals Segment.
2. Ordinary profit increased more than operating profit due mainly to improvements in share of profit of entities accounted for using the equity method, while profit attributable to owners of parent decreased due to higher income taxes.
3. As the increase in operating profit was partly attributable to inventory valuation changes resulting from rising raw material prices and other factors, the Company has left its earnings forecast unchanged and will determine its future response based on progress going forward.

Item	FY2025 1Q (A)	FY2026 1Q (B)	Difference (B) - (A)
Net sales	100.5	121.9	21.4
EBITDA	8.9	13.0	4.1
Operating profit	2.9	5.6	2.6
Ordinary profit	6.2	11.3	5.1
Profit attributable to owners of parent	4.4	4.2	(0.2)

Consolidated Balance Sheets

1. Interest-bearing debt was reduced through dividends received from Mitsubishi UBE Cement Corporation, an equity-method affiliate.
2. Maintained financial soundness through appropriate control of the balance between capital and liabilities.

Topics

1. The polyimide film production facility commenced commercial operation in April 2026. Trial operation is underway at the ceramics and separator production facilities, with commercial operation expected to begin as soon as possible.
2. Mitsubishi UBE Cement Corporation applied for listing on the Tokyo Stock Exchange in July 2026.

Shareholder Returns

1. Based on a DOE of 3.5%, the annual dividend forecast for FY2026 is ¥160 per share (interim dividend: ¥80; year-end dividend: ¥80).
2. The Company aims to raise its DOE level from the current level of 3.5% or higher to 4.0% or higher, and is also considering share buybacks using a portion of the proceeds from the planned IPOs of the Machinery Business and the Cement-Related Business.

FY2026 1st Quarter Consolidated Result

Scope of Consolidation

Item	End of FY2025 (A)	End of FY2026 1Q (B)	Difference (B) - (A)	Notes
Number of consolidated subsidiaries	46	46	—	
Number of equity method affiliates	17	16	(1)	— MC FERTICOM CO.,LTD.
Total	63	62	(1)	

Environmental Factors

Item				FY2025 1Q (A)	FY2026 1Q (B)	Difference (B) - (A)
Exchange Rate			Yen/$	144.6	159.5	14.9
Material Price	Naphtha	CIF	$/t	633	1,018	385
		Domestic	Yen/KL	65,900	114,100	48,200
	Australian Coal (CIF)		$/t	138.3	160.8	22.5
			Yen/t	19,990	25,638	5,648

Major P/L Items

(Billions of yen)

Item	FY2025 1Q (A)	FY2026 1Q (B)	Difference (B) - (A)	Percentage change
Net sales	100.5	121.9	21.4	21.3%
EBITDA	8.9	13.0	4.1	45.3%
Operating profit	2.9	5.6	2.6	88.6%
Ordinary profit	6.2	11.3	5.1	81.5%
Profit attributable to owners of parent	4.4	4.2	(0.2)	(3.9)%

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Net Sales and Operating Profit by Segment

(Billions of yen)

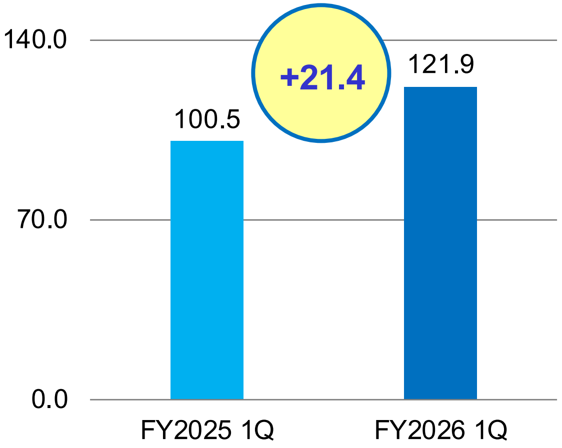
	Segment	FY2025 1Q (A)	FY2026 1Q (B)	Difference (B) - (A)	Percentage change
Net sales	Specialty Products	17.4	20.6	3.1	18.0%
	High Performance Urethane	3.2	15.7	12.5	397.0%
	Pharmaceutical	4.3	4.7	0.4	9.8%
	Polymers & Chemicals	59.0	65.5	6.5	11.0%
	Machinery	14.5	14.1	(0.4)	(2.8)%
	Others	8.6	9.4	0.8	9.0%
	Adjustment	(6.6)	(8.1)	(1.5)	-
	Total	100.5	121.9	21.4	21.3%
Operating profit	Specialty Products	1.9	3.2	1.3	69.2%
	High Performance Urethane	(0.4)	0.6	1.0	-
	Pharmaceutical	(0.6)	(0.5)	0.1	-
	Polymers & Chemicals	1.2	2.6	1.4	114.7%
	Machinery	1.1	1.1	0.0	2.9%
	Others	0.5	0.5	(0.0)	(5.0)%
	Adjustment	(0.8)	(2.0)	(1.2)	-
	Total	2.9	5.6	2.6	88.6%

(Note) The Company Group determined the provisional accounting treatment related to the business combination of a material-recycled plastic manufacturer in the consolidated of the fiscal year ended March 2026. The finalized accounting treatment is being applied in each reported figure for the first quarter of the fiscal year ended March 2026.
(Note) From FY 2026, UBE America Inc. has been reclassified from “Polymers & Chemicals” to “Specialty Products.” The results for the first quarter FY 2025 are presented as reference figures assuming the new segment classification.

Analysis – Total

(Billions of yen)

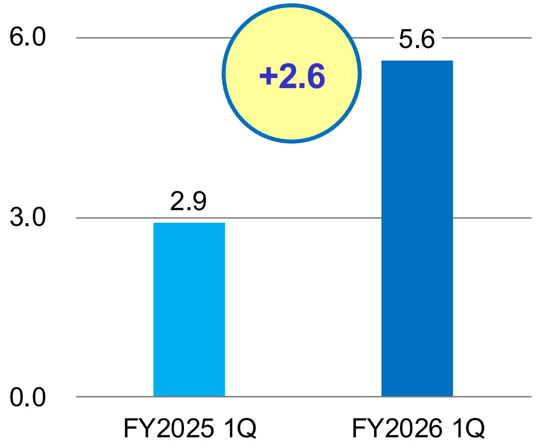
Net Sales



Specialty Products	3.1
High Performance Urethane	12.5
Pharmaceutical	0.4
Polymers & Chemicals	6.5
Machinery	(0.4)
Others	0.8
Adjustment	(1.5)

21.3% Increased

Operating profit



Specialty Products	1.3
High Performance Urethane	1.0
Pharmaceutical	0.1
Polymers & Chemicals	1.4
Machinery	0.0
Others	(0.0)
Adjustment	(1.2)

88.6% Increased

Qualitative Information

Net sales: Up

- High Performance Urethane: Contribution of the Urethane Systems Business, which was not included in consolidated earnings for the same period of the previous fiscal year
- Polymers & Chemicals: Increase in selling prices of nylon polymers and elastomers
- Specialty Products : Increase in sales volume of major products

Operating profit: Up

- Contribution of the Urethane Systems Business and solid sales of major products in the Specialty Products Segment despite rising raw material and fuel prices resulting from the situation in the Middle East

Difference of operating profit

Price *1	0.9
Volume	(0.1)
Fixed Cost and Others *2	1.7
Total	**2.6**

*1: Including both selling and purchase changes

*2: Including inventory valuation changes

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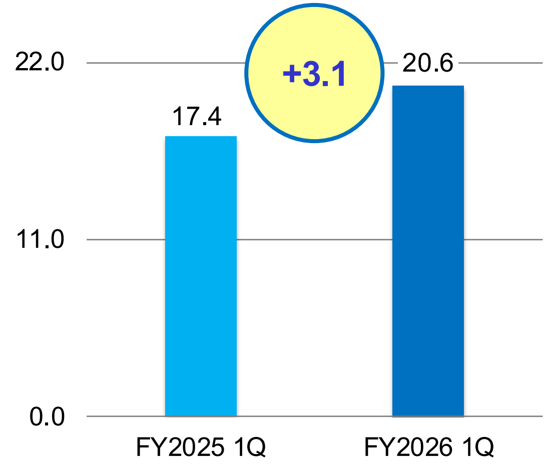
Analysis – Specialty Products

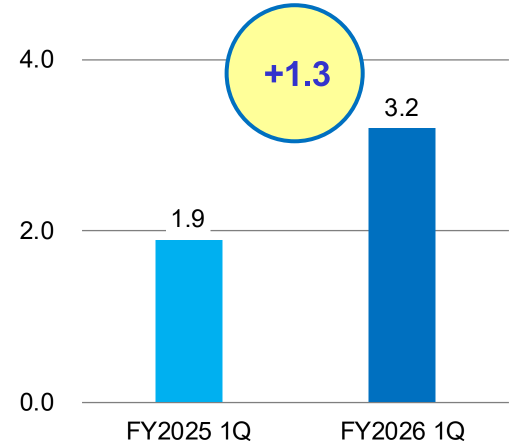
(Billions of yen)

Net Sales



18.0% Increased

Operating profit



69.2% Increased

Qualitative Information

Net sales: Up

- Polyimide: Solid demand for films for FPCs and varnishes for OLED panels in smartphone applications, and increase in BPDA sales volume
- Separation membranes: Recovery in demand for CO_2 separation membranes for biomethane production following an inventory adjustment phase, and increased demand for nitrogen separation membranes for equipment and machinery applications and other uses
- Ceramics: Increase in sales for bearings used in electric vehicles
- Separators: Increase in sales volume due to rising demand for hybrid vehicles
- Phenolic resin: Increase sales volume driven by growing demand from the semiconductor industry

Operating profit: Up

- Solid sales of polyimide, separation membranes, and phenolic resin

Difference of operating profit

Price *1	(0.3)
Volume	0.9
Fixed Cost and Others *2	0.7
Total	**1.3**

*1: Including both selling and purchase changes

*2: Including inventory valuation changes

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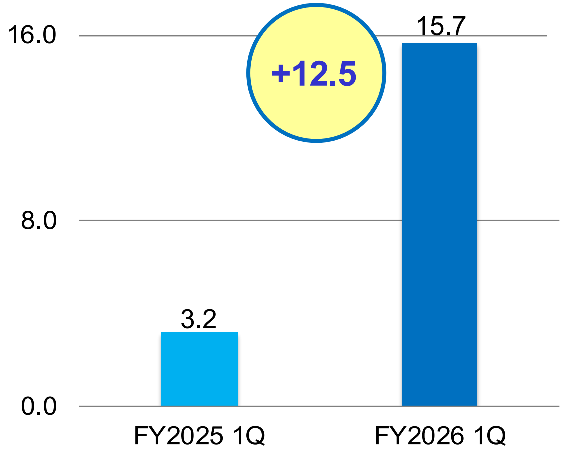
Analysis －High Performance Urethane

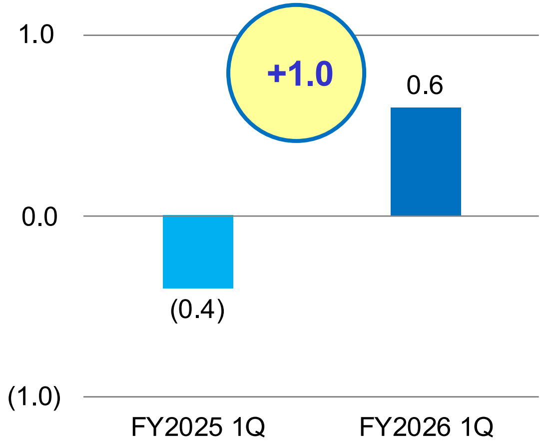
(Billions of yen)

Net Sales



397.0% Increased

Operating profit



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Qualitative Information

Net sales: Up

- Urethane systems: The Urethane Systems business was acquired in April 2025. As the companies engaged in this business have December fiscal year-ends, their results were not reflected in consolidated earnings for the same period of the previous fiscal year. In contrast, their results were reflected in the first quarter under review, contributing to an increase in net sales. Demand remained solid in major applications, including semiconductor-related applications, particularly in the U.S. market.
- High-Performance Coatings: Solid sales in overseas markets

Operating profit: Up

- Reflection of results from the Urethane Systems business
- Solid sales of High-Performance Coatings

Difference of operating profit

Price *1	0.2
Volume	0.0
Fixed Cost and Others *2 *3	0.8
Total	**1.0**

*1: Including both selling and purchase changes
*2: Including inventory valuation changes
*3: Including price and volume changes in Urethane Systems

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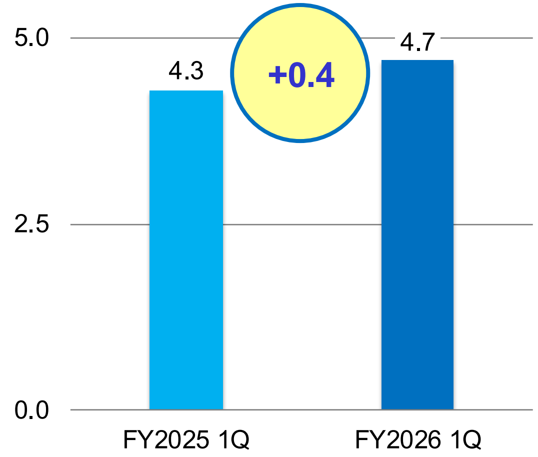
Analysis – Pharmaceutical

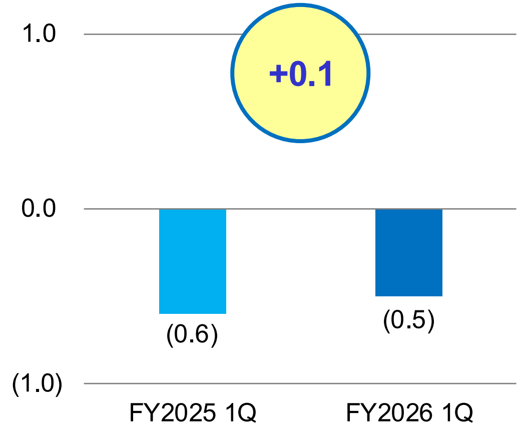
(Billions of yen)

Net Sales



9.8% Increased

Operating profit



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Qualitative Information

Net sales: Up

- Increase in sales volume of contract pharmaceuticals

Operating profit: Up

- Increase in sales volume of contract pharmaceuticals

Difference of operating profit

Price *1	0.1
Volume	0.2
Fixed Cost and Others *2	(0.3)
Total	**0.1**

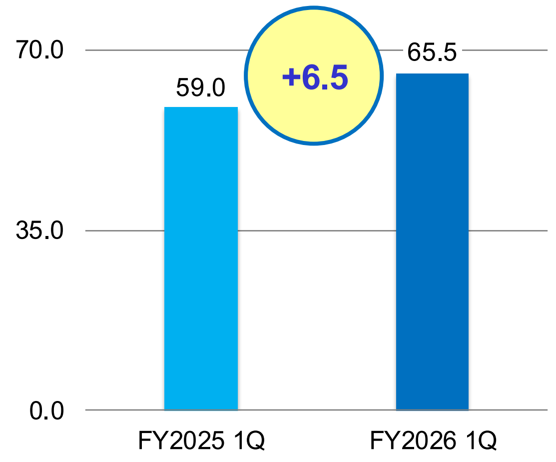
*1: Including both selling and purchase changes

*2: Including inventory valuation changes

Analysis – Polymers & Chemicals

(Billions of yen)

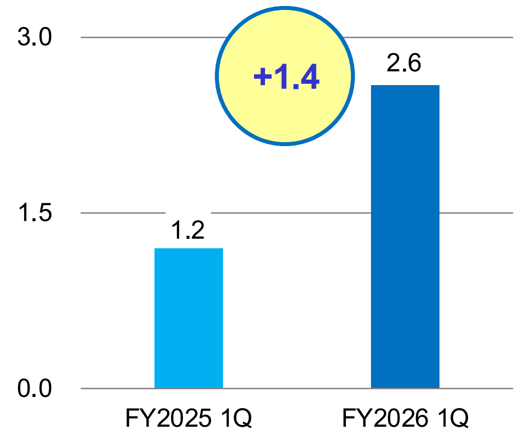
Net Sales



Performance Polymers & Chemicals	1.0
Elastomer	5.5

11.0% Increased

Operating profit



Performance Polymers & Chemicals	1.6
Elastomer	(0.2)

114.7% Increased

Qualitative Information

Net sales: Up

- Composites: Price revisions implemented in response to rising raw material prices, while demand for automotive applications remained firm
- Nylon polymers: Price revisions implemented in response to rising raw material prices despite lower sales volume resulting from the downsizing of production facilities in Thailand in March 2026 as part of the structural reform initiatives
- Elastomer: Increase in selling prices due to higher raw material prices

Operating profit: Up

- Improvement in the Nylon Polymers Business

Difference of operating profit

Price *1	0.2
Volume	(1.2)
Fixed Cost and Others *2	2.4
Total	**1.4**

*1: Including both selling and purchase changes

*2: Including inventory valuation changes

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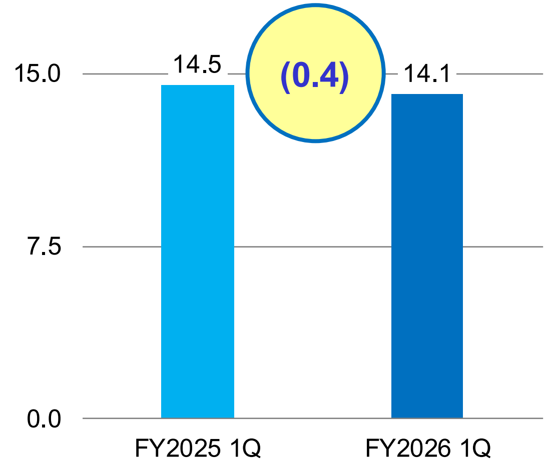
Analysis – Machinery

(Billions of yen)

Net Sales



(2.8)% Decreased

Operating profit

2.9% Increased

Qualitative Information

Net sales: Down

- Weak sales of products for the automotive industry

Operating profit: Up

- Maintained the prior-year level due to solid after-sales service demand in both the molding machine and industrial machine businesses.

Difference of operating profit

Marginal profit on machinery product: 0.4

(Since machinery products are manufactured on an individual order basis, no analysis of differences in price and volume is conducted.)

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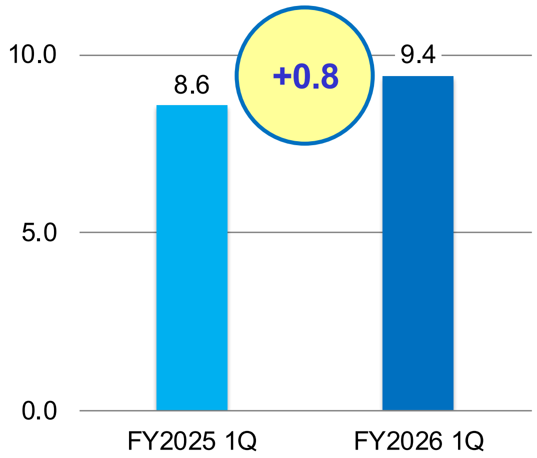
Analysis – Others

(Billions of yen)

Net Sales



9.0% Increased

Qualitative Information

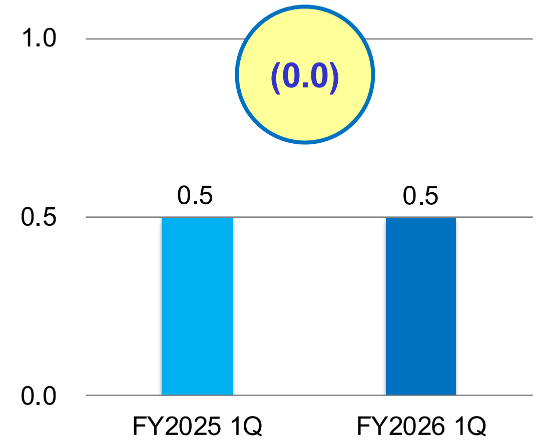
Net sales: Up

- Power: Increase in electricity selling prices due to higher coal prices

Operating profit: Down

- Maintained the prior-year level due to the biennial scheduled maintenance at the in-house power plant.

Operating profit



(5.0)% Decreased

Difference of operating profit

Price *1	0.7
Volume	(0.1)
Fixed Cost and Others	(0.6)
Total	**(0.0)**

*1: Including both selling and purchase changes

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Operating Profit – Profit Attributable to Owners of Parent

(Billions of yen)

Item	FY2025 1Q (A)	FY2026 1Q (B)	Difference (B) - (A)
Operating profit	2.9	5.6	2.6
Non-operating income (expenses)	3.3	5.7	2.4
Net interests expenses	(0.5)	(0.5)	(0.1)
Share of profit of entities accounted for using equity method	4.0	5.4	1.4
Share of profit of entities accounted for using equity method related to Mitsubishi UBE Cement Group	3.4	3.7	0.3
Foreign exchange gains (losses)	(0.1)	1.0	1.1
Others	(0.1)	(0.1)	(0.0)
Ordinary profit	6.2	11.3	5.1
Extraordinary income (losses)	(0.3)	(1.3)	(1.0)
Profit before income taxes	5.9	9.9	4.1
Income taxes and profit (loss) attributable to non-controlling interests	(1.5)	(5.7)	(4.2)
Profit attributable to owners of parent	4.4	4.2	(0.2)
Net income per share	44.90 yen	43.15 yen	(1.75) yen

(Note)The Company Group determined the provisional accounting treatment related to the business combination of a material-recycled plastic manufacturer in the consolidated of the fiscal year ended March 2026. The finalized accounting treatment is being applied in each reported figure for the first quarter of the fiscal year ended March 2026.

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Consolidated Balance Sheet

(Billions of yen)

Item		End of FY2025 (A)	End of FY2026 1Q (B)	Difference (B) - (A)
	Current assets	308.3	321.8	13.5
	Fixed assets	637.8	617.9	(19.9)
Total assets		946.3	939.9	(6.4)
	Interest-bearing debt	358.2	340.3	(17.9)
	Other liabilities	133.2	142.6	9.4
Total liabilities		491.4	482.9	(8.4)
	Shareholders’ equity *	437.2	439.1	1.9
	Non-controlling interests and others	17.7	17.8	0.1
Total net assets		454.9	456.9	2.0
Total liabilities and net assets		946.3	939.9	(6.4)

* Shareholders’ equity = Net assets – Share acquisition rights – Non-controlling interests

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Consolidated Statements of Cash Flows

(Billions of yen)

Item	FY2025 1Q	FY2026 1Q	
A.Cash flows from operating activities	20.9	22.6	Profit before income taxes 9.9 Depreciation and amortization 6.8 Increases (decreases) in working capital 9.2, etc.
B.Cash flows from investing activities	(77.0)	13.2	Capital Expenditures (16.8) Dividend income from Mitsubishi UBE Cement Corporation 28.7, etc.
Free cash flows (A+B)	(56.1)	35.7	
C.Cash flows from financing activities	(20.3)	(26.7)	Increases (decreases) in interest-bearing debt (21.0) Dividends paid (5.7), etc.
D.Net increase / decrease in cash and cash equivalents	(74.9)	9.7	
E.Cash and cash equivalents at end of the period	40.6	62.3	

(Note) The Company Group determined the provisional accounting treatment related to the business combination of a material-recycled plastic manufacturer in the consolidated of the fiscal year ended March 2026. The finalized accounting treatment is being applied in each reported figure for the first quarter of the fiscal year ended March 2026.

Reference

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Progress of Major P/L Items

(Billions of yen)

Item	FY2025 Results (A)		FY2026 Forecast (B)		Difference (B) - (A)	
		1Q Progress		1Q Progress		1Q
Net sales	462.3	100.5 21.7%	485.0	121.9 25.1%	22.7	21.4
EBITDA	46.4	8.9 19.3%	56.5	13.0 23.0%	10.1	4.1
Operating profit	18.9	2.9 15.5%	23.5	5.6 23.6%	4.6	2.6
Ordinary profit	37.5	6.2 16.5%	37.5	11.3 30.0%	(0.0)	5.1
Profit attributable to owners of parent	23.9	4.4 18.3%	24.5	4.2 17.1%	0.6	(0.2)

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Net Sales

(Billions of yen)

Segment	FY2026					Full-year (forecast)	Progress
	1Q	2Q	3Q	4Q	Total		
Specialty Products	20.6	—	—	—	20.6	89.0	23.1%
High Performance Urethane	15.7	—	—	—	15.7	68.0	23.1%
Pharmaceutical	4.7	—	—	—	4.7	21.0	22.4%
Polymers & Chemicals	65.5	—	—	—	65.5	239.0	27.4%
Machinery	14.1	—	—	—	14.1	70.0	20.2%
Others	9.4	—	—	—	9.4	36.0	26.1%
Adjustment	(8.1)	—	—	—	(8.1)	(38.0)	—%
Total	121.9	—	—	—	121.9	485.0	25.1%

Operating Profit

(Billions of yen)

Segment	FY2026					Full-year (forecast)	Progress
	1Q	2Q	3Q	4Q	Total		
Specialty Products	3.2	—	—	—	3.2	15.0	21.6%
High Performance Urethane	0.6	—	—	—	0.6	1.0	60.8%
Pharmaceutical	(0.5)	—	—	—	(0.5)	0.5	—%
Polymers & Chemicals	2.6	—	—	—	2.6	5.0	53.0%
Machinery	1.1	—	—	—	1.1	4.5	24.1%
Others	0.5	—	—	—	0.5	1.5	32.9%
Adjustment	(2.0)	—	—	—	(2.0)	(4.0)	—%
Total	5.6	—	—	—	5.6	23.5	23.6%

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1Q on 4Q － Net Sales

(Billions of yen)

Segment	FY2025 4Q (A)	FY2026 1Q (B)	Difference (B) - (A)	Major factors	
Specialty Products	19.2	20.6	1.4		
High Performance Urethane	15.0	15.7	0.7		
Pharmaceutical	6.5	4.7	(1.7)		
Polymers & Chemicals	65.9	65.5	(0.4)	Performance Polymers & Chemicals Elastomer	(6.5) 6.0
Machinery	21.7	14.1	(7.6)		
Others	8.9	9.4	0.4		
Adjustment	(7.1)	(8.1)	(1.0)		
Total	130.2	121.9	(8.3)		

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1Q on 4Q － Operating Profit

(Billions of yen)

Segment	FY2025 4Q (A)	FY2026 1Q (B)	Difference (B) - (A)	Major factors	
Specialty Products	3.1	3.2	0.2		
High Performance Urethane	0.4	0.6	0.2		
Pharmaceutical	(0.4)	(0.5)	(0.1)		
Polymers & Chemicals	0.1	2.6	2.6	Performance Polymers & Chemicals	(0.3)
				Elastomer	2.9
Machinery	2.4	1.1	(1.3)		
Others	0.3	0.5	0.2		
Adjustment	(1.9)	(2.0)	(0.1)		
Total	4.0	5.6	1.5		

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Net Sales and Operating Profit by Business Portfolio

(Billions of yen)

	Business portfolio	FY2025 1Q (A)	FY2026 1Q (B)	Difference (B) - (A)
Net sales	Specialty business	37.3	60.5	23.2
	Restructuring business	43.9	44.6	0.7
	Machinery business	14.5	14.1	(0.4)
	Other businesses (incl. adjustment)	4.8	2.8	(2.0)
	Total	100.5	121.9	21.4
Operating profit	Specialty business	3.8	5.7	1.8
	Restructuring business	(1.5)	0.6	2.0
	Machinery business	1.1	1.1	0.0
	Other businesses (incl. adjustment)	(0.5)	(1.8)	(1.3)
	Total	2.9	5.6	2.6

(Note) From FY 2026, UBE America Inc. has been reclassified from “Polymers & Chemicals” to “Specialty Products.” The results for the first quarter FY 2025 are presented as reference figures assuming the new segment classification.

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Mitsubishi UBE Cement

■Major P/L Items

(Billions of yen)

Mitsubishi UBE Cement Corporation and consolidated subsidiaries

Item		FY2025 Q1	FY2026 Q1
Net sales	Domestic business	85.7	92.8
	Overseas business	45.0	45.5
	Total	130.8	138.3
Operating profit	Domestic business	2.1	5.6
	Overseas business	8.9	5.9
	Total	11.0	11.5
Ordinary profit		12.0	12.1
Profit attributable to owners of parent		6.5	6.9

■Share of profit of entities accounted for using equity method in UBE's Consolidated Statements of Income

Share of profit of entities accounted for using equity method	3.4	3.7

■Environmental Factors

Item		FY2025 Q1	FY2026 Q1
Total demand for cement in Japan	(million tons)	7.64	7.21
Cement sales volumes in Japan	(million tons)	1.87	1.73
Cement sales volumes in the U.S.	(million tons)	0.42	0.35
Ready-mixed concrete sales volumes in the U.S.	(million cy)	1.64	1.42
Coal price*	($/t)	100	136
Exchange rate	(Yen/$)	145	159

* The above thermal coal prices are reference indices and differ from actual procurement prices.

(Reference) Consolidated Balance Sheet at the end of FY2026 1Q (Billions of yen)

Total assets	822.2	Interest-bearing debt	233.5	Shareholder's equity	311.3
Shareholder's equity ratio	37.9%	D/E ratio	0.75 Times		

FY2026 1Q Results

- Businesses in Japan: In the domestic cement business, cement sales volume declined year on year due to lower domestic demand caused by labor shortages at construction sites and extended construction periods, although selling prices exceeded the level of the same period of the previous fiscal year as a result of the price revisions implemented in the previous fiscal year. In addition, sales volume increased and costs decreased in the Environment & Energy Business due to the absence of the periodic maintenance and equipment trouble at the IPP power plant that occurred in the same period of the previous fiscal year. As a result, the Domestic Business as a whole recorded increases in both net sales and operating profit compared with the same period of the previous fiscal year.
- Businesses outside Japan: Net sales increased year on year due to the impact of the weaker yen, although sales volume declined as private-sector demand in the U.S. remained sluggish amid persistently high interest rates. Operating profit decreased year on year due to higher fuel and transportation costs.

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Consolidated Key Indicators

(Billions of yen)

Item	FY2025 1Q	FY2026 1Q	FY2026 full-year (forecast)	FY2025 full-year
Capital investment	7.8	17.5	85.0	69.0
Depreciation and amortization	5.9	6.8	31.0	25.7
Research and development expenses	2.5	3.6	13.0	12.4
Adjusted operating profit *	7.3	11.5	41.5	35.4
Interest-bearing debt	316.7	340.3	415.0	358.2
Shareholders' equity	392.9	439.1	450.0	437.2
Total assets	851.9	939.9	1,020.0	946.3
D/E ratio (times)	0.82	0.77	0.92	0.82
Shareholders' equity ratio (%)	46.2	46.7	44.1	46.2
Return on sales - ROS (%)	2.9	4.6	4.8	4.1
Return on assets - ROA (%)	―	―	4.2	3.9
Return on equity – ROE (%)	―	―	5.5	5.7
Return on invested capital - ROIC (%)	―	―	4.0	3.8

* Adjusted operating profit: Operating profit + Interest and dividend income + Share of profit (loss) of entities accounted for using equity method

(Note) : The Company Group determined the provisional accounting treatment related to the business combination of a material-recycled plastic manufacturer in the consolidated of the fiscal year ended March 2026. The finalized accounting treatment is being applied in each reported figure for the first quarter of the fiscal year ended March 2026.

: The Company Group determined the provisional accounting treatment related to the business combination involving 11 subsidiaries engaged in the Urethane Systems business for the fiscal year ended March 2026. The finalized accounting treatment is being applied in each reported figure for the first quarter of the fiscal year ended March 2026.

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Consolidated Major Subsidiaries

(Billions of yen)

Subsidiaries	Business	Net Sales FY2026 1Q	Difference of operating profit from FY2025 1Q *1
UBE CORPORATION EUROPE S.A.U.	Manufacture and sales of composites, nylon polymers, caprolactam, ammonium sulfate, high-performance coatings and other products	17.7	↑
UBE Chemicals (Asia) Public Company Limited	Manufacture and sales of composites and nylon polymers	5.3	↑
THAI SYNTHETIC RUBBERS COMPANY LIMITED	Manufacture and sales of polybutadiene rubber (synthetic rubber)	8.8	↓
UBE FILM, LTD.	Manufacture and sales of plastic film products	3.2	→
UBE EXSYMO CO., LTD.	Manufacture and sales of electronic and information communication-related products	3.1	→
UBE MACHINERY CORPORATION, Ltd.	Manufacture and sales of molding machines, industrial machinery and bridge, etc. After-sales services for molding machines and industrial machinery	9.3	↓

* 1 ↑↓ represent an increase or decrease of over 0.1 billion JPY

$$PBR = \frac{ROE}{\underbrace{\text{Cost of equity} - \text{Expected growth rate}}_{\text{Market cost of equity}}}$$

Cost of equity: Estimated around 8% based on the capital asset pricing model (CAPM)

Market cost of equity
Current: Approx. 12%
(Equivalent to a PER of around 8.5x)

Growing profit

Improving profitability

Mitigating impact of market volatility

Increasing expected growth rate

Implementing and accelerating strategies

Enhancing adaptability to changes in the business environment

Reducing business continuity risks
Increasing expected growth rate

Expanding specialty businesses

- Driving steady profit growth by expanding capacity in line with market growth and leveraging strategies such as M&A in peripheral areas
- Strengthening initiatives for creating new businesses in focus domains

Business restructuring

- Steadily implementing structural reforms for the ammonia, caprolactam, and nylon polymer businesses

✓ **Improving profitability to increase ROE (ROIC)**
✓ **Reducing the cost of equity by shifting to a business portfolio that is less sensitive to market fluctuations and generates lower GHG emissions**

Practicing sustainability management

- Empowering women and increasing highly specialized mid-career hires, etc. to increase workplace diversity and foster an innovative culture
- Implementing systematic human resource development to drive the growth of specialty businesses
- Driving greater operational efficiency and sophistication through DX

- Meeting the 2030 GHG emissions reduction target: 50% (vs. FY2013) (On track to achieve)
- Expanding environmentally friendly products and technologies

✓ **Strengthening the management foundation to achieve sustainable growth over the medium to long term**

Growing profit

Improving profitability

Mitigating impact of market volatility

Increasing expected growth rate

$$PBR = \frac{ROE}{\text{Cost of equity} - \text{Expected growth rate}}$$

Cost of equity: Estimated around 8% based on the capital asset pricing model (CAPM)

Market cost of equity
Current: Approx. 12%
(Equivalent to a PER of around 8.5x)

Expanding specialty businesses

- Driving steady profit growth by expanding capacity in line with market growth and leveraging strategies such as M&A in peripheral areas
- Strengthening initiatives for creating new businesses in focus domains

Capital investments and financing		Capacity	Status
✓ Polyimide	Film manufacturing facilities	Up 20%	Commercial operation has started in April 2026
✓ Separation membranes	Hollow-fiber and module manufacturing facilities	Up 80%	Commercial operation has started in November 2025
✓ Ceramics	Ceramics manufacturing facilities	Up 50%	Operation to start promptly after customer certification (Currently expected around September to October)
✓ Separators	Separators manufacturing facilities	Up 30%	Plant under construction
✓ C1 chemicals	U.S. DMC/EMC plant construction	100,000 tonnes / 40,000 tonnes	Plant under construction
✓ Urethane systems	Business acquisition	–	Acquired on April 1, 2025

Business restructuring

- Steadily implementing structural reforms for the ammonia, caprolactam, and nylon polymer businesses

Measures		Decided Initiatives
✓ Thailand	Caprolactam	Production shutdown in March 2026 (finished)
	Nylon polymer	Production reduction* in March 2026 (finished)*
✓ Japan	Caprolactam	Production shutdown in March 2027
	Nylon polymer	Production shutdown in March 2027
	Ammonia	Production shutdown in March 2028

*Reducing from current two lines to one line

- ✓ **Improving profitability to increase ROE (ROIC)**
- ✓ **Reducing the cost of equity by shifting to a business portfolio that is less sensitive to market fluctuations and generates lower GHG emissions**

$$PBR = \frac{ROE}{\text{Cost of equity} - \text{Expected growth rate}}$$

Cost of equity: Estimated around 8% based on the capital asset pricing model (CAPM)

Market cost of equity
Current: Approx. 12%
(Equivalent to a PER of around 8.5x)

Enhancing adaptability to changes in the business environment

Reducing business continuity risks
Increasing expected growth rate

Practicing sustainability management

- Empowering women and increasing highly specialized mid-career hires, etc. to increase workplace diversity and foster an innovative culture
- Implementing systematic human resource development to drive the growth of specialty businesses
- Driving greater operational efficiency and sophistication through DX

KPI	FY2025 results	FY2030 Target
✓ Percentage of women in the workforce*1	17.3%	25.0%
✓ Percentage of women in management position*1	5.5%	10.0%
✓ Investment in off-the-job training per person*2	JPY 216,000	JPY 300,000

- Meeting the 2030 GHG emissions reduction target: 50% (vs. FY2013) (On track to achieve)
- Expanding environmentally friendly products and technologies

KPI	FY2025 results	FY2030 Target	FY2035 Target
✓ GHG emissions 50% reduction (vs. FY2013)	32% reduction (3,200 kt-CO_2e/y)	50% reduction*3 (2,370 kt-CO_2e/y)	70% reduction (1,420 kt-CO_2e/y)
✓ Percentage of environmentally friendly products and technologies in consolidated net sales	48%	60%	—%

*1 Consolidated basis in Japan *2 Non-consolidated basis
*3 Expecting a 65% reduction (1,660 kt-CO_2e/y) in fiscal 2028 due to the shutdown and downsizing of ammonia, caprolactam, and nylon polymer production.

✓ **Strengthening the management foundation to achieve sustainable growth over the medium to long term**

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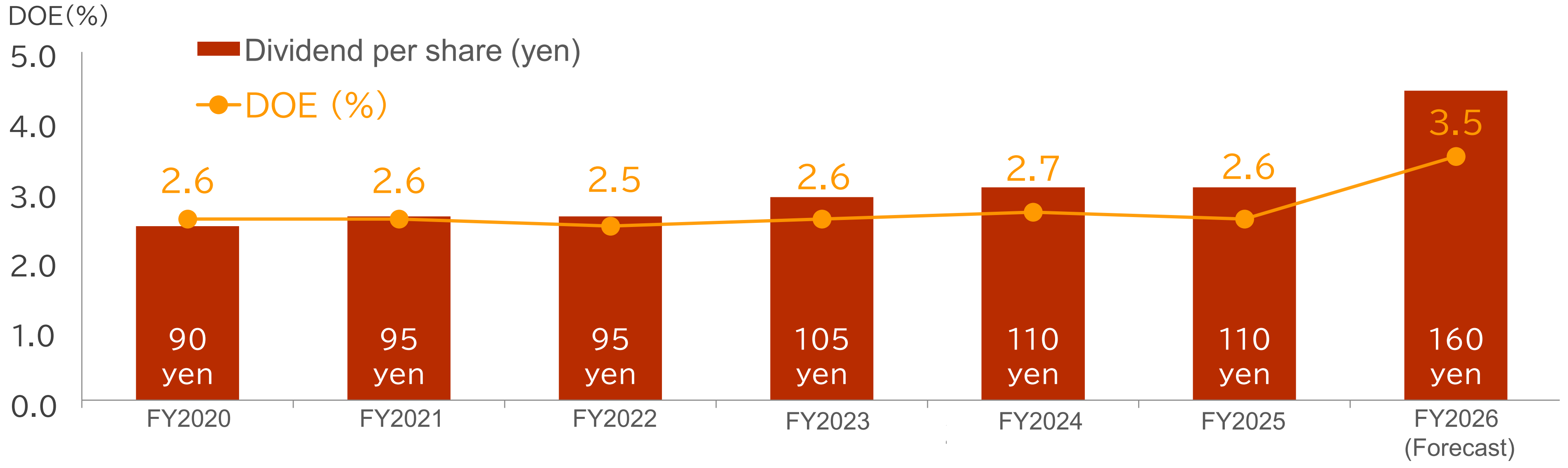
- Maintaining stable dividends as a basic policy, raising the dividend on equity (DOE) to 3.5% or higher from FY2026. Based on the progress of the medium-term management plan, aiming to raise it further to 4.0%.
- Considering share buybacks funded in part by IPO proceeds from the machinery business and cement-related business.

Initial targets set in the medium-term management plan

Dividend on equity: **2.5%** or above
(Aiming for progressive dividends)

FY2026 and beyond

- Dividend on equity: **3.5%** or above
(Aiming for progressive dividends)
- Aim to raise to **4.0%** at an early stage



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Quarterly Factors Causing Fluctuation in Profits/Losses

Quarter	Segment	Factor
Q1	Polymers & Chemicals	Regular maintenance and repairs conducted at the ammonia plant (Ube area) in even-numbered years have a negative impact on operating profit of the Polymers & Chemicals segment.
	Company-wide	Regular maintenance and repairs conducted at the private power plant (Ube area) in even-numbered years have a negative impact on the company's operating profit.
Latter half of Q2 through Q3	Polymers & Chemicals	Sales volume of caprolactam, a raw material for nylon, increases due to demand for fall and winter apparel. This has a positive impact on the operating profit of the caprolactam business.
Q4	Polymers & Chemicals	Annual maintenance and repairs conducted at the synthetic rubber plant (Chiba area) have a negative impact on the operating profit of the elastomer business.
	Machinery	Sales and profits are recorded mainly in the fourth quarter. This has a positive impact on the operating profit of the molding and industrial machines businesses.

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- Announcement of 1st Half FY2026 Financial Results
  - November 5, 2026 15:30
- 1st Half FY2026 Financial Results Briefing
  - November 5, 2026 18:15 ー 19:00

(Note) This schedule is subject to change without notice due to circumstances.

Transform
Tomorrow
Today