Company name: Ube Industries, Ltd.
Representative: Masato Izumihara,
President and Representative Director
Shares listed on: First Section of Tokyo Stock Exchange,
Fukuoka Stock Exchange
Security code number: 4208
Contact: Osamu Akutagawa
General Manager, General Affairs Department
Tel: +81-3-5419-6110

Ube Industries Announces Issue of Stock Acquisition Rights as Stock Options for Stock-Linked Compensation Plan

TOKYO, June 29, 2021— Ube Industries, Ltd., today announced that its Board of Directors has decided the subscription requirements for stock acquisition rights to be issued as stock options to the company's directors (excluding outside directors and audit and supervisory committee members) and its executive officers (excluding foreign officers). The aim of this move is to increase incentives to achieve medium-long term goals and increase shareholder value. The Board of Directors also resolved to solicit subscribers for the said stock acquisition rights. The details are as outlined below.

1. Name of the Stock Acquisition Rights to Be Offered

Ube Industries Fiscal 2021 Stock-Linked Compensation Plan Stock Acquisition Rights

2. Total Number of Stock Acquisition Rights to Be Offered

432 units

The above figure is the number scheduled for allotment. If the total number of Stock Acquisition Rights is reduced due to less application for subscription, etc., the reduced number of Stock Acquisition Rights shall be the total number of Stock Acquisition Rights to be issued.

3. Type and Number of Shares That Are the Object of Stock Acquisition Rights

The type of shares that are the object of Stock Acquisition Rights shall be ordinary shares of the Company. The number of shares for each Stock Acquisition Right ("Number of Granted Shares") shall be 100 shares.

However, if a share-split (includes gratis allotment of ordinary shares of the Company, the same shall apply below regarding the descriptions of share-split) or consolidation of shares is conducted for ordinary shares of the Company on or after the date of the resolution, the Number of Granted Shares shall be adjusted by applying the following formula, with fractions of less than one share rounded down to the nearest one share.

Number of Granted Shares after adjustment = Number of Granted Shares before adjustment × Ratio of share-split or consolidation of shares

The Number of Granted Shares after adjustment shall be applied on or after the day following the record date thereof (the effective date thereof where no record date is specified) in case of a share-split, or from the effective date thereof, in the case of consolidation of shares.

However, if a share-split is made under the condition that a proposal to increase capital or capital reserve by reducing surplus shall be approved at a general meeting of shareholders, and if the record date of such share-split is set for a day prior to the close of said general meeting of shareholders, the Number of Granted Shares after adjustment shall be applicable retroactively on the day following the closing of the said general meeting of shareholders and thereafter, to the next day following such record date.

In addition, in the event that an adjustment of the Number of Granted Shares is necessary on or after the date of the resolution in the case that the Company implements a merger, a company split, or an equivalent case, the Company shall carry out the adjustment appropriately to the extent deemed reasonable.

If the Number of Granted Shares is to be adjusted, the Company shall notify the holder of each Stock Acquisition Right recorded in the Register of Stock Acquisition Rights ("Holder of Stock Acquisition Right") of any important matters by the day immediately prior to the date on which the Number of Granted Shares after adjustment is applied. However, if the Company is unable to give such notice by the day immediately prior to the date for such application, such notice shall be given as soon as possible afterwards.

4. Amount of Assets Contributed on Exercise of Stock Acquisition Rights

The amount of assets contributed upon exercise of each Stock Acquisition Right is calculated by multiplying the paid-in value of 1 yen per share delivered upon exercise of each Stock Acquisition Right ("Exercise Price") by the Number of Granted Shares.

5. Exercise Period of the Stock Acquisition Rights

From July 15, 2021 to July 14, 2046

6. Matters Concerning the Increases in Capital and Capital Reserve when Shares Are Issued Upon Exercise of Stock Acquisition Rights

(1) The amount of capital to be increased when shares are issued upon exercise of Stock Acquisition Rights shall be one half of the maximum amount of capital, etc., to be increased which is calculated in accordance with paragraph 1, Article 17 of the Corporate Calculation Regulation, and fractions of less than 1 yen will be rounded up to the nearest 1 yen.

(2) The amount of capital reserve to be increased when shares are issued upon exercise of Stock Acquisition Rights shall be the amount calculated by deducting the amount of capital to be increased as stated in the preceding paragraph (1) from the maximum amount of capital, etc., to be increased as stated in the same paragraph (1) above.

7. Restriction on Acquiring Stock Acquisition Rights by Assignment

Acquisition of Stock Acquisition Rights by assignment will require approval by a resolution of the Board of Directors.

8. Provisions Concerning the Acquisition of Stock Acquisition Rights

When proposal (1), (2), (3), (4) or (5) below is approved at a general meeting of shareholders of the Company (or by resolution of the Board of Directors if a resolution by the general meeting of shareholders is not required), the Company may acquire Stock Acquisition Rights at no cost on a date stipulated separately by the Company's Board of Directors.

(1) Proposal for approval of a merger agreement in which the Company ceases to exist;

(2) Proposal for approval of a company split agreement or company split plan of which the Company is a party to spin off;

(3) Proposal for approval of a stock exchange agreement or a share transfer plan in which the Company will become a wholly-owned subsidiary;

(4) Proposal for approval of amendment to the Articles of Incorporation to the effect that a new provision should be established that, as the content of all the shares issued by the Company, the acquisition of such shares by transfer requires the approval of the Company;

(5) Proposal for approval of amendment to the Articles of Incorporation to the effect that a new provision should be established that, as the content of the shares as the object of the Stock Acquisition Rights, the acquisition of such shares by transfer requires the approval of the Company, or that the Company may acquire all of such shares of such type by a resolution by a general meeting of shareholders.

9. Decision Policy Concerning the Details of Delivery of Stock Acquisition Rights Issued by a Reorganized Company in Case of Structural Reorganization

In the case that the Company conducts a merger (limited to where the Company ceases to exist due to the merger), an absorption-type company split or incorporation-type company split (limited to where the Company is the splitting company in each case), or a stock exchange or a share transfer takes place (limited to where the Company becomes a wholly owned subsidiary in each case) (collectively "Acts of Structural Reorganization"), Stock Acquisition Rights of the companies listed in a. through e., sub-paragraph 8, paragraph 1, Article 236 of the Companies Act ("Reorganized Company") shall be delivered, in each of the above cases, based on the conditions mentioned below to the holders of the remaining Stock Acquisition Rights ("Remaining Stock Acquisition Rights") as of the date immediately prior to the effective date of the Acts of Structural Reorganization. (The effective date refers to the effective date of the absorption-type merger in the case of an absorption-type merger, the date of establishment of the new company in the case of a consolidation-type merger, the effective date of the absorption-type company split in the case of an absorption-type company split, the date of establishment of the new company in the case of an incorporation-type company split, the effective date of the stock exchange in the case of a stock exchange, and the date of establishment of the wholly owning parent company in the case of a share transfer. The same applies below.

However, in accordance with each of the following items, the delivery of Stock Acquisition Rights of a Reorganized Company shall be stipulated in any absorption-type merger agreement, consolidation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, a stock exchange agreement or a share transfer plan.

(1) Number of Stock Acquisition Rights of a Reorganized Company to Be Delivered

An equal number of Stock Acquisition Rights to those remaining held by the holder of Stock Acquisition Rights shall be delivered to each holder.

(2) Type of Shares of the Reorganized Company as the Object of Stock Acquisition Rights

Ordinary shares of the Reorganized Company

(3) Number of Shares of the Reorganized Company as the Object of Stock Acquisition Rights

To be determined in accordance with provision 3 above, taking into consideration the conditions, etc., of the Acts of Structural Reorganization

(4) Amount of Assets Contributed upon Exercise of Stock Acquisition Rights

The amount of assets contributed upon exercise of each delivered Stock Acquisition Right shall be calculated by multiplying the exercise price after the reorganization as stipulated below by the number of shares of the Reorganized Company as the object of each Stock Acquisition Right as calculated in accordance with paragraph (3) above. The exercise price after the reorganization shall be 1 yen per share of the Reorganized Company delivered upon exercise of each Stock Acquisition Right.

(5) Exercise Period of Stock Acquisition Rights

The exercise period of the Stock Acquisition Rights shall be from whichever is later of the starting date of the exercisable period as stipulated in provision 5 above or the effective date of structural reorganization, to the last day of the exercisable period as stipulated in provision 5 above.

(6) Matters Concerning Increases in Capital and Capital Reserve in the Case Where Shares Are Issued Upon Exercise of Stock Acquisition Rights

To be determined in accordance with provision 6 above.

(7) Restriction on Acquiring Stock Acquisition Rights by Assignment

The acquisition of Stock Acquisition Rights by assignment shall require approval by a resolution by the Board of Directors of the Reorganized Company.

(8) Provisions for Acquiring Stock Acquisition Rights

To be determined in accordance with provision 8 above.

(9) Other Conditions for the Exercise of Stock Acquisition Rights

To be determined in accordance with provision 11 below.

10. Fractions of Less Than 1 Share Occurring on Exercise of Stock Acquisition Rights

If a fraction of less than 1 share to be delivered to the holder of Stock Acquisition Rights occurs upon exercise of Stock Acquisition Rights, it shall be rounded down to the nearest 1 share.

11. Other Conditions for Exercise of Stock Acquisition Rights

(1) A holder of Stock Acquisition Rights may only exercise Stock Acquisition Rights from the next day when such holder no longer holds a position as a Director and/or an Executive Officer of the Company.

(2) Paragraph (1) above shall not apply to a person who came to possess Stock Acquisition Rights via inheritance.

(3) When the holder of Stock Acquisition Rights has relinquished Stock Acquisition Rights, the holder may not exercise the relevant Stock Acquisition Rights.

12. Method for Calculating Paid-in Value of Stock Acquisition Rights

The paid-in value of each Stock Acquisition Right shall be the amount obtained by multiplying the option price (with fractions of less than 1 yen to be rounded up or down to the nearest 1 yen) per share by the Number of Granted Shares. The option price shall be calculated based on the following formula of the Black-Scholes model and the basic numerical values in paragraphs (2) through (7).

$$C = Se^{-qT}N(d) - Xe^{-rT}N\left(d - \sigma\sqrt{T}\right)$$

Here,

$$d = \frac{\ln\left(\frac{S}{X}\right) + \left(r - q + \frac{\sigma^2}{2}\right)T}{\sigma\sqrt{T}}$$

(1) Option price per share (C)

(2) Share price (S): the closing price (base price for the next trading day when there is no closing price) of the ordinary shares of the Company in regular trading on the Tokyo Stock Exchange on July 14, 2021

(3) Exercise price (X): 1 yen

(4) Expected remaining period (T): 4 years

(5) Volatility (σ): Rate of variability, which is calculated based on the monthly closing prices of ordinary shares of the Company in regular transactions for 4 years from July 2017 to June 2021

(6) Risk-free interest rate (r): Interest rate for a government bond for which the remaining years are almost equal to the expected remaining period

(7) Stock dividend yield (q): Dividend per share (actual dividend paid for the fiscal year ended March 31, 2021) divided by the stock price provided in paragraph (2) above.

(8) Cumulative distribution function of standard normal distribution ($N(\cdot)$)

Note: The amount computed as described above is the fair price of the Stock Acquisition Rights, and shall not correspond to advantageous placement. Remuneration receivable by the person who is to receive an allotment from the Company which is equivalent in amount to the total paid-in value of

Stock Acquisition Rights held shall be offset by the obligation to pay the paid-in value of Stock Acquisition Rights.

13. Allotment Date of Stock Acquisition Rights

July 14, 2021

14. Date of Payment in Exchange for Stock Acquisition Rights

The payment date shall be July 14, 2021

15. Persons to Be Allotted Stock Acquisition Rights, Number of Persons, and Number of Stock Acquisition Rights to Be Allotted

Persons to Be Allotted Stock Acquisition Rights	No. of Persons	No. of Stock Acquisition Rights to Be Allotted
Directors of the Company (Excludes Outside Directors and Audit and Supervisory Committee Members)	4	129
Executive Officers of the Company (Excludes Foreign Officers)	18	303