# Consolidated Financial Report for the First Quarter Ended June 30, 2024

August 5, 2024


Company name: UBE Corporation
Representative: Masato Izumihara, President and Representative Director
Security code: 4208 (shares listed on Prime Section of Tokyo Stock Exchange)
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(Amounts rounded to the nearest million yen)

## 1. Consolidated Financial Results for the First Quarter Ended June 30, 2024

(From April 1, 2024 to June 30, 2024)

### (1) Consolidated Operating Results

(% indicates the rate of increase / decrease to the same period of previous year)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|---|---|---|---|---|---|---|---|---|
| April – June 2024 | 115,385 | 5.6% | 2,911 | 11.0% | 6,967 | 30.8% | 4,804 | 31.4% |
| April – June 2023 | 109,220 | (6.0)% | 2,622 | (39.8)% | 5,326 | 252.0% | 3,655 | (26.3)% |

(Note) Comprehensive Income: From April 1, 2024 to June 30, 2024: 15,743 Million Yen 3.3%
From April 1, 2023 to June 30, 2023: 15,234 Million Yen (6.2)%

| | Net income per share (Yen) | Diluted net income per share (Yen) |
|---|---|---|
| April – June 2024 | 49.49 | 49.47 |
| April – June 2023 | 37.66 | 37.65 |

### (2) Consolidated Financial Position

| | Total assets | Net assets | Shareholders' equity ratio (%) |
|---|---|---|---|
| June 30, 2024 | 807,514 | 439,677 | 51.8 |
| March 31, 2024 | 789,034 | 429,355 | 51.8 |

(Reference) Shareholders' equity: As of June 30, 2024: 417,966 Million Yen
As of March 31, 2024: 408,689 Million Yen

[Shareholders' equity = Net assets – Share acquisition rights – Non-controlling interests]

## 2. Cash Dividends

| | Cash dividends per share (Yen) | | | | |
|---|---|---|---|---|---|
| | First quarter | Second quarter | Third quarter | Year end | Annual |
| April 2023 – March 2024 | – | 50.00 | – | 55.00 | 105.00 |
| April 2024 – March 2025 | – | | – | | |
| April 2024 – March 2025 (Forecast) | | 55.00 | – | 55.00 | 110.00 |

(Note) Revision of the latest forecast of cash dividends: No

### 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025

(From April 1, 2024 to March 31, 2025)

(% indicates the rate of increase / decrease to the same period of previous year)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Net income per share(Yen) |
|---|---|---|---|---|---|---|---|---|---|
| April – September 2024 | 238,000 | 9.1% | 7,500 | 43.7% | 11,500 | 1.7% | 8,000 | (11.3)% | 82.41 |
| April 2024 – March 2025 | 510,000 | 8.9% | 27,000 | 20.2% | 37,000 | 1.8% | 29,500 | 1.8% | 303.89 |

(Note) Revision of the latest forecast of consolidated financial results: No

**(Notes)**

(1) Changes in significant subsidiaries during the first quarter ended June 30, 2024: No

(Note) This item indicates whether there were changes in significant subsidiaries affecting the scope of consolidation during the first quarter ended June 30, 2024.

(2) Adoption of special accounting methods for presenting quarterly consolidated financial statements: Yes

(Note) For more details, please refer to "5. Consolidated Financial Statements (4) Notes to Quarterly Consolidated Financial Statements (Application of the specific accounting methods for preparing the quarterly consolidated financial statements)".

(3) Changes in accounting policies applied, changes in accounting estimates and retrospective restatement

Changes in accounting policies applied due to revisions of accounting standards: Yes

Changes in accounting policies other than the above: No

Changes in accounting estimates: No

Retrospective restatement: No

(4) Number of shares outstanding (common stock)

| | June 30, 2024 | March 31, 2024 |
|---|---|---|
| Numbers of shares outstanding at period end | 106,200,107 | 106,200,107 |
| Numbers of shares of treasury stock at period end | 9,127,509 | 9,126,797 |

| | April – June 2024 | April – June 2023 |
|---|---|---|
| Weighted-average number of shares outstanding during period | 97,072,946 | 97,040,342 |

Review procedures on the quarterly consolidated financial statement contained in this report by independent auditors:

Yes (voluntary)

(Cautionary statement on forward-looking statements)

The performance forecast and other forward-looking statements contained in this material have been prepared on the basis of information available at this point and certain assumptions which are judged to be rational. It may be substantially different from the actual performance because of various factors such as economic conditions in key markets, supply and demand of products, the prices of raw material and fuel, interest rates, and exchange rates.

## 4. Qualitative Information on Operating Results

(1) Overview of Operating Results

During the first quarter under review, both net sales and operating profit increased. Despite weak sales in the Specialty Products and Machinery Segments, as well as in the Pharmaceutical Business, sales volume and sales prices increased in the Polymers & Chemicals Segment due to a recovery in demand for nylon polymer and caprolactam, mainly overseas.

Ordinary profit and profit attributable to owners of parent both increased due to the expansion of share in profit of entities accounted for using the equity method, mainly thanks to the effect of the sales price adjustments implemented in the previous fiscal year in the cement-related business (an equity-method affiliate).

As a result, the Company Group reports its consolidated results during the current term as follows:

(Billions of yen)

| Item | Net sales | Operating profit | Ordinary profit | Profit attributable to owners of parent |
|---|---|---|---|---|
| April – June 2024 ① | 115.4 | 2.9 | 7.0 | 4.8 |
| April – June 2023 ② | 109.2 | 2.6 | 5.3 | 3.7 |
| Difference ① - ② | 6.2 | 0.3 | 1.6 | 1.1 |
| Percentage change | 5.6% | 11.0% | 30.8% | 31.4% |

Overview by Segment

Net sales (Billions of yen)

| Segment | April – June 2024 ① | April – June 2023 ② | Difference ① － ② | Percentage Change |
|---|---|---|---|---|
| Specialty Products | 15.1 | 15.8 | (0.7) | (4.4)% |
| Polymers & Chemicals | 70.9 | 60.9 | 10.0 | 16.4% |
| Machinery | 19.2 | 20.6 | (1.4) | (6.8)% |
| Others | 15.7 | 17.7 | (2.0) | (11.5)% |
| Adjustment | (5.5) | (5.8) | 0.3 | － |
| Total | 115.4 | 109.2 | 6.2 | 5.6% |

Operating profit (Billions of yen)

| Segment | April – June 2024 ① | April – June 2023 ② | Difference ① － ② | Percentage Change |
|---|---|---|---|---|
| Specialty Products | 2.2 | 3.0 | (0.8) | (27.4)% |
| Polymers & Chemicals | 0.1 | (1.5) | 1.6 | － |
| Machinery | 1.0 | 0.9 | 0.1 | 12.9% |
| Others | 0.3 | 0.9 | (0.6) | (67.5)% |
| Adjustment | (0.7) | (0.7) | 0.0 | － |
| Total | 2.9 | 2.6 | 0.3 | 11.0% |

(Note1) UBE America Inc. and UBE CORPORATION AMERICA INC. have been reclassified from the “Others” segment to the “Polymers & Chemicals” segment from the fiscal year ending March 2025. The results for the first quarter ended March 2024 are figures reflecting the segment reclassification.

(Note2) Adjustment for operating profit includes corporate expenses (general expenses that are not distributed to each reportable segment) and internal transactions between the segments.

Specialty Products – Decreases in both net sales and operating profit

The Polyimide Business recorded a decrease in net sales due to sluggish sales of our varnishes in the Chinese OLED panel market as the adoption of varnishes made by Chinese company progressed, although sales of films, mainly for FPCs, and raw material BPDA were strong.

The Separation Membrane Business recorded a decrease in net sales despite the continued stable demand for $CO_2$ separation membranes for biomethane production, partly due to the impact of delays in product shipments as the scale of each project increased.

The Ceramics Business recorded an increase in net sales thanks to the continued strong demand for bearing and the products used for substrates.

The Separators Business recorded an increase in net sales due to an increase in sales volume in line with an increase in demand for products for hybrid vehicles and other factors.

The Specialty Products Segment as a whole recorded decreases in both net sales and operating profit due to weak performance of polyimide.

Polymers & Chemicals – Increases in both net sales and operating profit

■ Performance Polymers & Chemicals Business

The Composites Business recorded a decrease in net sales due to sluggish demand for automotive products.

The Nylon Polymer Business recorded an increase in net sales mainly due to recovery in demand for nylon film for food packaging overseas, resulting in increases in sales volume and selling prices.

The Caprolactam & Ammonium Sulfate Business recorded an increase in net sales due to increased sales volume overseas and higher selling prices resulting from higher market prices for raw materials.

The Industrial Chemicals Business recorded a decrease in net sales due to a decrease in sales volume resulting from the biennial inspection conducted at the ammonia product factory.

The C1 Chemicals and High-Performance Coating Businesses recorded a decrease in net sales due to a decline in sales volume resulting from the withdrawal from business of some unprofitable products, and other factors.

■ The Elastomer Business recorded an increase in net sales due to the rising product price resulting from the market price rises of raw material such as butadiene.

■ The Polymers & Chemicals Segment as a whole recorded increases in both net sales and operating profit despite the impact of the biennial inspection of the ammonia product factory, thanks to the significant effect of the higher sales volume and selling prices of nylon polymer and caprolactam resulting from the recovery in demand overseas.

Machinery – Decrease in net sales and increase in operating profit

The Molding Machine Business recorded a decrease in net sales despite stable performance of after-sales services, mainly due to a delay in shipments of machinery products.

The Industrial Machines Business recorded a decrease in net sales despite solid sales of machinery products, which is due to strong performance of after-sales services in the previous fiscal year.

The Steel Products Business recorded a decrease in net sales due to a decrease in sales volume caused by the regular inspection, which lasted longer than the previous fiscal year.

As for the Machinery Segment as a whole, although revenue decreased due to a decline in sales volume in the Steel Products Business and the delay in shipments in the Molding Machine Business, after-sales services in the Molding Machine Business and product sales and after-sales services in the Industrial Machines Business showed stable performance, resulting in a decrease in net sales and an increase in operating profit.

Others – Decreases in both net sales and operating profit

The Pharmaceutical Business recorded a decrease in net sales due to sluggish sales of contract pharmaceuticals.

The Power Producer Business recorded a decrease in net sales due to a decrease in the volume of electricity sold resulting from a decline in electricity demand in cement-related businesses and other businesses.

The Others Segment as a whole recorded decreases in both net sales and operating profit due largely to the impact of sluggish sales of contract pharmaceuticals in the Pharmaceutical Business.

Cement-Related Business (Equity-Method Affiliate)

Although sales volume of cement decreased in both the domestic and overseas (North America) markets, the adjustment of selling prices implemented in the previous fiscal year contributed to an increase in share of profit of entities accounted for using the equity method relating to the cement-related business.

(2) Overview of Financial Condition

Total Assets

Total assets increased by 18.5 billion yen compared to the end of the previous fiscal year, to 807.5 billion yen. This is mainly due to increases in inventories, such as merchandise and finished goods, property, plant and equipment, and investment securities despite decreases in notes receivable-trade, accounts receivable-trade, and contract assets.

Liabilities

Liabilities increased by 8.2 billion yen compared to the end of the previous fiscal year, to 367.8 billion yen. This is mainly due to an increase in interest-bearing debt despite a decrease in Other current liabilities.

Net assets

Net assets increased by 10.3 billion yen compared to the end of the previous fiscal year, to 440 billion yen. This is mainly due to an increase in foreign currency translation adjustment, despite a decrease in retained earnings because of profit attributable to owners of parent being lower than the amount of cash dividends.

As a result, shareholders' equity ratio remained unchanged from the previous consolidated fiscal year at 51.8%.

## 5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2024 | As of June 30, 2024 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 36,359 | 33,106 |
| Notes and accounts receivable - trade, and contract assets | 107,778 | 102,245 |
| Merchandise and finished goods | 58,017 | 63,229 |
| Work in process | 29,503 | 30,776 |
| Raw materials and supplies | 46,428 | 46,347 |
| Other | 17,668 | 21,084 |
| Allowance for doubtful accounts | (75) | (116) |
| Total current assets | 295,678 | 296,671 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 51,705 | 51,727 |
| Machinery, equipment and vehicles, net | 92,501 | 92,852 |
| Land | 37,243 | 37,446 |
| Other, net | 40,709 | 47,736 |
| Total property, plant and equipment | 222,158 | 229,761 |
| Intangible assets | | |
| Goodwill | 1,448 | 1,442 |
| Other | 7,121 | 10,318 |
| Total intangible assets | 8,569 | 11,760 |
| Investments and other assets | | |
| Investment securities | 223,923 | 230,840 |
| Other | 38,826 | 38,622 |
| Allowance for doubtful accounts | (275) | (284) |
| Total investments and other assets | 262,474 | 269,178 |
| Total non-current assets | 493,201 | 510,699 |
| Deferred assets | 155 | 144 |
| Total assets | 789,034 | 807,514 |

(Millions of yen)

| | As of March 31, 2024 | As of June 30, 2024 |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 62,068 | 61,166 |
| Short-term borrowings | 63,370 | 69,577 |
| Commercial papers | — | 14,999 |
| Current portion of bonds payable | 10,000 | 10,000 |
| Income taxes payable | 4,154 | 2,148 |
| Provision for bonuses | 5,141 | 7,092 |
| Other provisions | 954 | 843 |
| Other | 52,534 | 45,450 |
| Total current liabilities | 198,221 | 211,275 |
| Non-current liabilities | | |
| Bonds payable | 60,000 | 60,000 |
| Long-term borrowings | 75,572 | 71,958 |
| Provisions | 3,204 | 2,590 |
| Retirement benefit liability | 7,289 | 7,358 |
| Asset retirement obligations | 1,224 | 1,227 |
| Other | 14,169 | 13,429 |
| Total non-current liabilities | 161,458 | 156,562 |
| Total liabilities | 359,679 | 367,837 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 58,435 | 58,435 |
| Capital surplus | 40,370 | 40,370 |
| Retained earnings | 276,409 | 275,874 |
| Treasury shares | (21,598) | (21,600) |
| Total shareholders' equity | 353,616 | 353,079 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 8,885 | 8,653 |
| Deferred gains or losses on hedges | 64 | 210 |
| Foreign currency translation adjustment | 39,418 | 49,594 |
| Remeasurements of defined benefit plans | 6,706 | 6,430 |
| Total accumulated other comprehensive income | 55,073 | 64,887 |
| Share acquisition rights | 62 | 62 |
| Non-controlling interests | 20,604 | 21,649 |
| Total net assets | 429,355 | 439,677 |
| Total liabilities and net assets | 789,034 | 807,514 |

(2) Consolidated Statements of Income / Consolidated Statements of Comprehensive Income

・Consolidated Statements of Income

For the first quarter ended June 30, 2023 and 2024

(Millions of yen)

| | April 1, 2023 - June 30, 2023 | April 1, 2024 - June 30, 2024 |
|---|---|---|
| Net sales | 109,220 | 115,385 |
| Cost of sales | 90,726 | 95,649 |
| Gross profit | 18,494 | 19,736 |
| Selling, general and administrative expenses | 15,872 | 16,825 |
| Operating profit | 2,622 | 2,911 |
| Non-operating income | | |
| Interest income | 63 | 198 |
| Dividend income | 411 | 196 |
| Rental income | 208 | 210 |
| Share of profit of entities accounted for using equity method | 2,268 | 3,859 |
| Foreign exchange gains | 815 | 718 |
| Other | 137 | 130 |
| Total non-operating income | 3,902 | 5,311 |
| Non-operating expenses | | |
| Interest expenses | 244 | 276 |
| Rental expenses | 138 | 120 |
| Other | 816 | 859 |
| Total non-operating expenses | 1,198 | 1,255 |
| Ordinary profit | 5,326 | 6,967 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 3 | 2 |
| Gain on sale of investment securities | — | 89 |
| Gain on liquidation of subsidiaries and associates | — | 311 |
| Total extraordinary income | 3 | 402 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 198 | 154 |
| Impairment losses | 78 | — |
| Total extraordinary losses | 276 | 154 |
| Profit before income taxes | 5,053 | 7,215 |
| Income taxes | 1,572 | 2,129 |
| Profit | 3,481 | 5,086 |
| Profit (loss) attributable to non-controlling interests | (174) | 282 |
| Profit attributable to owners of parent | 3,655 | 4,804 |

・Consolidated Statements of Comprehensive Income

For the first quarter ended June 30, 2023 and 2024

(Millions of yen)

| | April 1, 2023 - June 30, 2023 | April 1, 2024 - June 30, 2024 |
|---|---|---|
| Profit | 3,481 | 5,086 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 989 | 229 |
| Deferred gains or losses on hedges | (9) | 12 |
| Foreign currency translation adjustment | 6,573 | 7,029 |
| Remeasurements of defined benefit plans, net of tax | 20 | (196) |
| Share of other comprehensive income of entities accounted for using equity method | 4,180 | 3,583 |
| Total other comprehensive income | 11,753 | 10,657 |
| Comprehensive income | 15,234 | 15,743 |
| Comprehensive income attributable to owners of parent | 14,725 | 14,618 |
| Comprehensive income attributable to non-controlling interests | 509 | 1,125 |

(3) Consolidated Statements of Cash Flows

(Millions of yen)

| | April 1, 2023 - June 30, 2023 | April 1, 2024 - June 30, 2024 |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before income taxes | 5,053 | 7,215 |
| Depreciation and amortization | 6,386 | 6,749 |
| Impairment losses | 78 | — |
| Amortization of goodwill | 3 | 62 |
| Increase (decrease) in allowance for doubtful accounts | 16 | 49 |
| Interest and dividend income | (474) | (394) |
| Interest expenses | 244 | 276 |
| Share of loss (profit) of entities accounted for using equity method | (2,268) | (3,859) |
| Loss (gain) on sale of non-current assets | (2) | (2) |
| Decrease (increase) in trade receivables | 14,612 | 7,521 |
| Decrease (increase) in inventories | (5,994) | (3,965) |
| Increase (decrease) in trade payables | (12,765) | (3,982) |
| Other, net | 3,474 | (5,661) |
| Subtotal | 8,363 | 4,009 |
| Interest and dividends received | 1,326 | 1,223 |
| Interest paid | (225) | (244) |
| Income taxes paid | (2,403) | (3,336) |
| Net cash provided by (used in) operating activities | 7,061 | 1,652 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment and intangible assets | (8,125) | (17,232) |
| Proceeds from sale of property, plant and equipment | 115 | — |
| Purchase of investment securities | (25) | — |
| Proceeds from sale of investment securities | — | 114 |
| Decrease (increase) in short-term loans receivable | (100) | (800) |
| Other, net | 44 | (48) |
| Net cash provided by (used in) investing activities | (8,091) | (17,966) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | (240) | 6,865 |
| Net increase (decrease) in commercial papers | 2,000 | 14,999 |
| Proceeds from long-term borrowings | — | 36 |
| Repayments of long-term borrowings | (1,169) | (4,593) |
| Purchase of treasury shares | (1) | (2) |
| Dividends paid | (4,371) | (5,345) |
| Dividends paid to non-controlling interests | (82) | (80) |
| Other, net | (140) | (194) |
| Net cash provided by (used in) financing activities | (4,003) | 11,686 |
| Effect of exchange rate change on cash and cash equivalents | 975 | 1,352 |
| Net increase (decrease) in cash and cash equivalents | (4,058) | (3,276) |
| Cash and cash equivalents at beginning of period | 30,703 | 35,859 |
| Cash and cash equivalents at end of period | 26,645 | 32,583 |

(4) Notes to Quarterly Consolidated Financial Statements

(Notes regarding changes in accounting policies)
(Application of the “Accounting Standard for Current Income Taxes,” etc.)

We have applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “2022 revised Accounting Standard”), etc. from the beginning of the consolidated first quarter under review.

Revisions regarding the classification of income taxes, etc. (taxes imposed on other comprehensive income) are in accordance with the transitional treatment prescribed in the proviso of Paragraph 20-3 of the 2022 revised Accounting Standard and the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “2022 revised Guidance”). Note that this change in accounting policy has no impact on the quarterly consolidated financial statements.

In addition, with regard to revisions related to the treatment in consolidated financial statements when gains or losses on sales of subsidiaries’ shares, etc. between consolidated companies are deferred for tax purposes, the 2022 revised Guidance has been applied from the beginning of the consolidated first quarter under review. This change in accounting policy has been applied retrospectively. The quarterly consolidated financial statements and consolidated financial statements for the previous consolidated fiscal year presented herein are those after the retrospective application of the change. Note that this change in accounting policy has no impact on the quarterly consolidated financial statements and consolidated financial statements for the previous consolidated fiscal year.

(Application of the specific accounting methods for preparing the quarterly consolidated financial statements)

Tax expenses are calculated by estimating an effective tax rate for net income based on reasonable assumptions of an effective tax rate after application of tax effect accounting for net income before tax for the consolidated fiscal year, including the current term, and by multiplying the quarterly net income before tax by the estimated tax rate of net income. However, for subsidiaries for which calculating tax expenses using the said estimation of the effective tax rate would significantly lack rationality, tax expenses are calculated by using the statutory effective tax rate.

Income taxes adjustment is included in income taxes.

(Segment Information)

(1) Information concerning Net Sales and Operating Profit by Reportable Business Segment

For the First Quarter Ended June 30, 2023 (April 1, 2023 to June 30, 2023) (Millions of yen)

| | Reported segment | | | | | Adjustment (note 1) | Amount recorded in consolidated statements of income (note 2) |
|---|---|---|---|---|---|---|---|
| | Specialty Products | Polymers & Chemicals | Machinery | Others | Total | | |
| Net sales | | | | | | | |
| External sales | 12,044 | 58,123 | 20,536 | 18,517 | 109,220 | — | 109,220 |
| Internal sales or transfers | 3,763 | 2,757 | 49 | (782) | 5,787 | (5,787) | — |
| Total | 15,807 | 60,880 | 20,585 | 17,735 | 115,007 | (5,787) | 109,220 |
| Segment profit or loss (operating profit or loss) | 3,037 | (1,534) | 886 | 924 | 3,313 | (691) | 2,622 |

(Note 1) Adjustments are applied to the followings:

(691) million yen for adjustment for Segment profit or loss includes 151 million yen for the elimination of transaction between the Segments and (842) million yen for company-wide cost that is not allocated to each reported Segment. Company-wide cost consists mainly of administration and general expense that is not attributed to each reported Segment.

(Note 2) Segment profit or loss is adjusted with operating profit recorded in the consolidated statements of income.

For the First Quarter Ended June 30, 2024 (April 1, 2024 to June 30, 2024) (Millions of yen)

| | Reported segment | | | | | Adjustment (note 1) | Amount recorded in consolidated statements of income (note 2) |
|---|---|---|---|---|---|---|---|
| | Specialty Products | Polymers & Chemicals | Machinery | Others | Total | | |
| Net sales | | | | | | | |
| External sales | 11,738 | 66,457 | 19,060 | 18,130 | 115,385 | — | 115,385 |
| Internal sales or transfers | 3,374 | 4,399 | 116 | (2,435) | 5,454 | (5,454) | — |
| Total | 15,112 | 70,856 | 19,176 | 15,695 | 120,839 | (5,454) | 115,385 |
| Segment profit (operating profit) | 2,204 | 96 | 1,000 | 300 | 3,600 | (689) | 2,911 |

(Note 1) Adjustments are applied to the followings:

(689) million yen for adjustment for Segment profit or includes 67 million yen for the elimination of transaction between the Segments and (756) million yen for company-wide cost that is not allocated to each reported Segment. Company-wide cost consists mainly of administration and general expense that is not attributed to each reported Segment.

(Note 2) Segment profit is adjusted with operating profit recorded in the consolidated statements of income.

(2) Matters Related to Changes, etc. in Reportable Segments

Starting from the consolidated first quarter under review, UBE America Inc. and UBE CORPORATION AMERICA INC., our consolidated subsidiaries, which were previously included in “Others,” have been included in Polymers & Chemicals due to a revision of the business management classification of these subsidiaries.

Segment information for the first quarter of the previous consolidated fiscal year has been prepared based on the classification after the revision.

(Note to significant changes in shareholders' equity)

None.

(Note to events and conditions which indicate there could be substantial doubt about going concern assumption)

None.

(Reference) Consolidated Key Indicators

(Billions of yen – except where noted)

| | April – June 2023 | April – June 2024 | April 2024 – March 2025 (forecast) | April 2023 – March 2024 |
|---|---|---|---|---|
| Capital investment | 4.4 | 13.5 | 81.0 | 36.1 |
| Depreciation and amortization | 6.4 | 6.7 | 27.0 | 26.6 |
| Research and development expenses | 2.6 | 2.5 | 10.0 | 10.3 |
| Adjusted operating profit *1 | 5.4 | 7.2 | 39.7 | 38.8 |
| Interest-bearing debt | 219.2 | 231.1 | 269.0 | 213.4 |
| Shareholders' equity *2 | 372.0 | 418.0 | 424.0 | 408.7 |
| Total assets | 734.1 | 807.5 | 850.0 | 789.0 |
| D/E ratio (times) | 0.59 | 0.55 | 0.63 | 0.52 |
| Shareholders' equity ratio (%) | 50.7 | 51.8 | 49.9 | 51.8 |
| Return on sales - ROS (%) *3 | 2.4 | 2.5 | 5.3 | 4.8 |
| Return on assets - ROA (%) *4 | — | — | 4.8 | 5.1 |
| Return on equity - ROE (%) *5 | — | — | 7.1 | 7.5 |
| Return on invested capital - ROIC (%) *6 | — | — | 4.8 | 4.7 |

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

*2 Shareholders' equity: Net assets – Share acquisition rights – Non-controlling interests

*3 ROS: Operating profit / Net sales

*4 ROA: Adjusted operating profit / Average total assets

*5 ROE: Profit attributable to owners of parent / Average shareholders' equity

*6 ROIC: Net operating profit after tax + Share of profit (loss) of entities accounted for using equity method / Average invested capital* (Invested capital: Interest-bearing debt + Shareholders' equity )

(English Translation)

Independent Auditor's Interim Review Report

August 5, 2024

The Board of Directors
UBE Corporation

Ernst & Young ShinNihon LLC
Tokyo, Japan

Shigeyuki Kano
Designated Engagement Partner
Certified Public Accountant

Ritsuko Narazaki
Designated Engagement Partner
Certified Public Accountant

Minori Tamegai
Designated Engagement Partner
Certified Public Accountant

**Auditor's Conclusion**

We have reviewed the accompanying quarterly consolidated financial statements of UBE Corporation and its consolidated subsidiaries (the Group), which comprise the quarterly consolidated balance sheet as at June 30, 2024, and the quarterly consolidated statements of income, comprehensive income and cash flows for the three-month period ended June 30, 2024, and notes to the quarterly consolidated financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying quarterly consolidated financial statements are not prepared, in all material respects, in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange, Inc.'s Standards for the Preparation of Quarterly Financial Statements (the Standards) and accounting principles for quarterly financial statements generally accepted in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.

**Basis for Auditor's Conclusion**

We conducted our review in accordance with review standards for interim financial statements generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Review of the Quarterly Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our review of the quarterly consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained provides a basis for our conclusion.

**Responsibilities of Management, the Audit and Supervisory Committee for the Quarterly Consolidated Financial Statements**

Management is responsible for the preparation of these quarterly consolidated financial statements in accordance with Article 4, Paragraph 1 of the Standards and accounting principles for quarterly financial statements generally accepted in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards, and for the internal controls as management determines are necessary to enable the preparation of quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the quarterly consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, including the disclosures related to matters of going concern as required by Article 4, Paragraph 1 of the Standards and accounting principles for quarterly financial statements generally accepted in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.

The Audit and Supervisory Committee is responsible for overseeing the Group's financial reporting process.

**Auditor's Responsibilities for the Review of the Quarterly Consolidated Financial Statements**

Our responsibility is to express a conclusion on these quarterly consolidated financial statements based on our review.

As part of a review in accordance with review standards for interim financial statements generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the review. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters and apply analytical and other interim review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- Conclude based on the evidence obtained whether anything has come to our attention that causes us to believe that the quarterly consolidated financial statements are not prepared in accordance with Article 4, Paragraph 1 of the Standards and accounting principles for quarterly financial statements generally accepted in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards, should we determine that a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. Additionally, if we conclude that a material uncertainty exists, we are required to draw attention in our auditor's interim review report to the related disclosures in the quarterly consolidated financial statements or, if such disclosures are inadequate, to modify our conclusion. Our conclusions are based on the evidence obtained up to the date of our auditor's interim review report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether anything has come to our attention that causes us to believe that the overall presentation and disclosure of the quarterly consolidated financial statements are not prepared in accordance with Article 4, Paragraph 1 of the Standards and accounting principles for quarterly financial statements generally accepted in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.
- Obtain evidence regarding the financial information of the entities or business activities within the Group as a basis for expressing a conclusion on the quarterly consolidated financial statements. We are responsible for the direction, supervision and review of the documentation of the interim review. We remain solely responsible for our conclusion.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of the review and significant review findings.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our review of the quarterly consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

**Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Interim Review Report
This is an English translation of the Independent Auditor's Interim Review Report as required by the Tokyo Stock Exchange, Inc.'s Standards for the Preparation of Quarterly Financial Statements for the conveniences of the reader.