October 3, 2024

Company name: UBE Corporation
Representative: Masato Izumihara
President and Representative Director
(Security Code: 4208, Prime Section of Tokyo Stock Exchange)
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Notice Regarding Acquisition of LANXESS Urethane Systems Business

UBE Corporation ("UBE") announced that its Board of Directors resolved at a meeting held on October 3, 2024, to enter into a Sale and Purchase Agreement (the "Agreement") for the acquisition of all shares of each of the entities owned by LANXESS Deutschland GmbH (head office: Germany; hereinafter "LANXESS") that engage in the Urethane Systems Business (the "Target Business") to make such entities its subsidiaries (the "Acquisition"). The Agreement has been executed as of the same date and the Acquisition is expected to take place after obtaining regulatory approvals and completing other procedures required under relevant laws and regulations.

1. Reason for Share Acquisition

UBE group aims to achieve growth driven by specialty chemicals and contributions to the global environment. We are strategically investing in our specialty business while restructuring and optimizing our foundational sectors, such as the ammonia and caprolactam chains, to transform our corporate structure for the future.

For the C1 chemical chain, the market in the United States is our top priority, and currently, we are in the process of constructing a cutting-edge plant for DMC (dimethyl carbonate) and EMC (ethyl methyl carbonate) in Louisiana. Additionally, we are catalyzing our expansion into our downstream capabilities, including PCD (polycarbonate diol) and PUD (polyurethane dispersion). The Acquisition emphasizes our ambition to integrate high-performance polyurethane resin operations, enhancing our capabilities in these critical domains.

The Target Business is one of the leader in producing high-performance polyurethane resins for thermosetting urethane elastomers. With over 70 years of experience, it prides itself on unrivaled expertise, advanced application development, and a robust customer base. Leveraging its global manufacturing and development centers, primarily in North America, it delivers custom solutions tailored to meet specific client needs. Notably, it excels in high-end applications demanding superior performance, particularly within the semiconductor industry.

By acquiring this formidable foundation—marked by technical expertise in polyurethane resins, a global talent pool, extensive manufacturing capabilities, and strong partnerships and distribution networks with customers—we aim to amplify our PCD and PUD businesses and solidify our presence in the high-performance polyurethane resin market.

2. Overview of Target Business

As a result of the Acquisition, UBE will acquire the shares in nine direct subsidiaries (plus two indirectly held subsidiaries) comprising the Target Business.

(1) Target Business	Business related to the manufacture and sale of polyurethane products (i.e., urethane systems products such as prepolymers) held by LANXESS
(2) Business sites	Location Americas: 3 plants (North Carolina, USA; New Jersey, USA; Sao Paulo, Brazil), 1 technical center ("TC") (Connecticut, USA) Europe: 1 plant (Lancashire, UK), 1 TC (Lazio, Italy) China: 1 plant (Nantong), 1 TC (Shanghai) In addition, there are development, sales, and service sites in the Americas, Europe, and Asia-Pacific.
(3) Sales breakdown	Region: Americas 60%, EMEA 20%, APAC 20% Product: Urethan prepolymers for cast elastomers 75%, PUD and others 25%
(4) Number of employees	Approximately 400 employees（Americas 200, EMEA100, APAC100)
(5) Operating results of Target Business	Estimate for the fiscal year ending December 2024 Net sales: EUR 265 million; EBITDA: EUR 50 million

An overview of the subsidiaries comprising the Target Business is as follows.

It should be noted, however, that as of the date of this announcement, some of the acquired subsidiaries below do not only conduct the Target Business but also remaining business of LANXESS which does not form part of the transaction and will be carved-out from such subsidiaries by LANXESS prior to the completion of the Acquisition.

① LANXESS Solutions Australia Pty Ltd

(1)	Name	LANXESS Solutions Australia Pty. Ltd.	
(2)	Address	Unit 1, 2D Factory Street Granville NSW 2142, Australia	
(3)	Name and title of representative	Jianwen Shen, Director and Secretary Grant Richard Wakefield, Director, President & CEO	
(4)	Capital	AUD 3,420,100	
(5)	Date of incorporation	July 18, 2014	
(6)	Major shareholders and shareholding ratio	LANXESS Pty. Ltd. (100 %)	
(7)	Relationship with LANXESS	Capital relationship	None
		Personnel relationship	None
		Business relationship	Transactions with LANXESS

② Sistemas de Uretanos do Brasil Ltda.

(1)	Name	Sistemas de Uretanos do Brasil Ltda.
(2)	Address	Avenida Maria Coelho de Aguiar, No. 215, bloco B, 2nd floor, Suite Porto Feliz, Jardim São Luís, City of São Paulo, State of São Paulo ZIP Code 05804-900, Brasil

(3)	Name and title of representative	Eliane Siviero de Freitas, Chief Executive Officer Hans Jürgen Claassen, Chief Financial Officer	
(4)	Capital	BRL 2,500,000.00	
(5)	Date of incorporation	April 16, 2024	
(6)	Major shareholders and shareholding ratio	Urethane Systems USA LLC (100%)	
(7)	Relationship with LANXESS	Capital relationship	None
		Personnel relationship	None
		Business relationship	Transactions with LANXESS

③ Urethane Systems Canada Ltd.

(1)	Name	Urethane Systems Canada Ltd.	
(2)	Address	c/o Cox & Palmer, 1625 Grafton Street, Nova Centre, South Tower, Halifax, Nova Scotia, B3J 0E8, Canada	
(3)	Name and title of representative	Elizabeth Harrison, Director	
(4)	Capital	CAD 1.00	
(5)	Date of incorporation	June 11, 2024	
(6)	Major shareholders and shareholding ratio	LANXESS Canada Co./Cie. (100 %)	
(7)	Relationship with LANXESS	Capital relationship	None
		Personnel relationship	None
		Business relationship	Transactions with LANXESS

④ Chemtura China Holding Co., Ltd.

(1)	Name	Chemtura China Holding Co., Ltd.	
(2)	Address	Room S10-1817, 18th Floor, China Fortune Tower No. 1568 Century Avenue, China (Shanghai) Pilot Free Trade Zone, 200122 Shanghai, China	
(3)	Name and title of representative	Yanlei LI, Chairman of the Board of Directors and General Manager Hugh Xu, Director Zhenglei Zhang, Director	
(4)	Capital	USD 70,000,000	
(5)	Date of incorporation	March 8, 2012	
(6)	Major shareholders and shareholding ratio	LANXESS Hong Kong Limited (100 %)	
(7)	Relationship with LANXESS	Capital relationship	None
		Personnel	None

	relationship	
	Business relationship	Transactions with LANXESS

⑤LANXESS Advanced Materials (Nantong) Co., Ltd.

(1)	Name	LANXESS Advanced Materials (Nantong) Co., Ltd.	
(2)	Address	#97 Jianghai Road, Nantong Economic Technology Development Area, 226017 Nantong, Jiangsu, China	
(3)	Name and title of representative	Dominik Risse, Chairman of the Board of Directors Zhenglei Zhang, Director Yanlei Li, Member of the Board of Directors Jing Wang, Chief Executive Officer	
(4)	Capital	CNY 466,288,300	
(5)	Date of incorporation	November 15, 2011	
(6)	Major shareholders and shareholding ratio	LANXESS Chemical (China) Co., Ltd. (100%)	
(7)	Relationship with LANXESS	Capital relationship	None
		Personnel relationship	None
		Business relationship	Transaction with LANXESS

⑥ Elfte LXS GmbH

(1)	Name	Elfte LXS GmbH	
(2)	Address	Kennedyplatz 1, 50569 Cologne, Germany	
(3)	Name and title of representative	Dominik Risse, Managing Director Dr. Stephan Deutsch, Managing Director	
(4)	Capital	EUR 25,000	
(5)	Date of incorporation	May 5, 2024	
(6)	Major shareholders and shareholding ratio	LANXESS Deutschland GmbH (100%)	
(7)	Relationship with LANXESS	Capital relationship	None
		Personnel relationship	None
		Business relationship	Transactions with LANXESS

⑦ LANXESS SOLUTIONS INDIA PRIVATE LIMITED

(1)	Name	LANXESS SOLUTIONS INDIA PRIVATE LIMITED
(2)	Address	LANXESS House, Plot no A162- A164 Road No 27, Wagle Estate, MIDC, Thane 40064, Maharashtra, India
(3)	Name and title of	Balaram Khot, Director

	representative	Namitesh Roy Choudhury, Managing Director	
(4)	Capital	INR 500,000	
(5)	Date of incorporation	November 22, 2012	
(6)	Major shareholders and shareholding ratio	LANXESS India Private Limited (100.0%)	
(7)	Relationship with LANXESS	Capital relationship	None
		Personnel relationship	None
		Business relationship	Transactions with LANXESS

⑧ LANXESS Solutions Italy S.r.l.s.u.

(1)	Name	LANXESS Solutions Italy S.r.l. s.u.	
(2)	Address	Via Pico della Mirandola 8, 04013, Latina Scalo, Italy	
(3)	Name and title of representative	Vincenzo Trabace, Chairman & President of the Board of Directors & Managing Director Dr. Hermann-Jens Womelsdorf, Member of the Board of Directors	
(4)	Capital	EUR 20,000,000	
(5)	Date of incorporation	July 5, 1999	
(6)	Major shareholders and shareholding ratio	LANXESS S.r.l. s.u. (100 %)	
(7)	Relationship with LANXESS	Capital relationship	None
		Personnel relationship	None
		Business relationship	Transactions with LANXESS

⑨ LANXESS Sales Netherlands B.V.

(1)	Name	LANXESS Sales Netherlands B.V.	
(2)	Address	Groot Egtenrayseweg 23, 5928 PA Venlo, the Netherlands	
(3)	Name and title of representative	Johan (Hans) Evert Wierbosch, Director Karel Antonie van der Wijngaart, Director	
(4)	Capital	EUR 50,000	
(5)	Date of incorporation	November 13, 2012	
(6)	Major shareholders and shareholding ratio	LANXESS Belgium NV (100 %)	
(7)	Relationship with LANXESS	Capital relationship	None
		Personnel relationship	None
		Business relationship	Transactions with LANXESS

⑩ LANXESS Urethanes UK LTD

(1)	Name	LANXESS Urethanes UK LTD	
(2)	Address	Paragon Works, Baxenden Nr Accrington, Lancs., BB5 2SL, U.K.	
(3)	Name and title of representative	Steven Thompson, Director, Managing Director Anthony John Risino, Director	
(4)	Capital	GBP 1,800,000	
(5)	Date of incorporation	May 24, 1917	
(6)	Major shareholders and shareholding ratio	LANXESS Solutions UK Ltd (100 %)	
(7)	Relationship with LANXESS	Capital relationship	None
		Personnel relationship	None
		Business relationship	Transactions with LANXESS

⑪ Urethane Systems USA LLC

(1)	Name	Urethane Systems USA LLC	
(2)	Address	c/o Corporation Service Company, 251 Little Falls Drive, 19808 Wilmington, Delaware USA	
(3)	Name and title of representative	LANXESS Corporation, Member of the Management In Person: Frederique van Baarle, Director, President & CEO of LANXESS Corporation Simon Berheide, Director, Vice President & CFO of LANXESS Corporation	
(4)	Capital	USD 1,000	
(5)	Date of incorporation	January 18, 2024	
(6)	Major shareholders and shareholding ratio	LANXESS Corporation (100 %)	
(7)	Relationship with LANXESS	Capital relationship	None
		Personnel relationship	None
		Business relationship	Transactions with LANXESS

3. Overview of Counterparty to Share Acquisition

(1)	Name	LANXESS Deutschland GmbH
(2)	Address	Kennedyplatz 1, 50569 Köln, Germany
(3)	Name and title of representative	Matthias Zachert, Managing Director & Chairman of the Management Dr. Hubert Fink, Managing Director Oliver Stratmann, Managing Director Frederique van Baarle, Managing Director

(4)	Business description	Manufacturing, distribution, other industrial activities and the provision of services in the chemical and polymer fields	
(5)	Capital	EUR 20 million	
(6)	Date of incorporation	July 1, 2004	
(7)	Net assets	EUR 2,678 million (as of December 31, 2023)	
(8)	Total assets	EUR 7,909 million (as of December 31, 2023)	
(9)	Major shareholders and shareholding ratio	LANXESS AG (100 %)	
(10)	Relationship with LANXESS	Capital relationship	None
		Personnel relationship	None
		Business relationship	Transaction with LANXESS
		Status as a related party	None

4. Purchase Price (as Reference)

Purchase price (as reference)	Approximately EUR [460] million (approximately JPY [73.6] billion)

Note 1: The purchase price (as reference) is Enterprise Value. Price adjustments will be made to the purchase price as provided in the Agreement.
Note 2: Various fees including advisory fees are not indicated as the cost for necessary procedures in each country is not certain at this point.
Note 3: 1 EUR = 160 JPY

5. Timeline

(1)	Contract execution date	October 3, 2024
(2)	Closing date of the Acquisition	1st half of 2025 (planned)

Note 4: The closing date of the Acquisition is subject to regulatory approvals.

6. Accounting Treatment

The transaction will be treated as an acquisition under the accounting standards.
Positive goodwill is expected to be generated. The amount is currently being evaluated which will be disclosed when it is finalized.

7. Future Outlook

As the completion of the business transfer is expected in the first half of 2025, the transaction will have no impact on UBE's consolidated financial results for the fiscal year ending March 2025. The impact on UBE's consolidated financial results for the next fiscal year and beyond is currently under review.

8. Funds for Acquisition

The Acquisition is scheduled to be funded with internal resources and debt financing.

Reference: Consolidated earnings forecast for the fiscal year ending March 2025 (announced on May 13, 2024) and consolidated results for the previous fiscal year (amounts rounded to the nearest million yen)

	Net sales	Operating profit	Ordinary profit	Profit attributed to owners of parent
March of 2025 Expected	510,000	27,000	37,000	29,500
March of 2024 Actual	468,237	22,456	36,333	28,981