October 25, 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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# Notice Regarding Posting of Share of Loss of Entities Accounted for Using Equity Method Due to Dissolution of Equity Method Affiliate

UBE Corporation ("UBE") hereby announces that it expects to record a share of loss of entities accounted for using equity method due to a resolution of LOTTE UBE SYNTHETIC RUBBER SDN. BHD. (President: Ahn Pilseong; "LUSR"), an equity method affiliate engaged in the elastomer business in Malaysia, to dissolve.

## 1. Reasons for Dissolution of LUSR

UBE established LUSR in January 2012 as an equity method affiliate through a joint venture with Honam Petrochemical Corporation (now LOTTE Chemical Corporation) and others in order to secure an overseas base for its elastomer business (butadiene rubber), and commenced commercial production in 2015. (In October 2021, UBE's equity was transferred to UBE Elastomer Co. Ltd., a wholly owned subsidiary of UBE engaged in the elastomer business.)

Although demand for butadiene rubber is growing robustly, market conditions have been weak in recent years due to capacity increases that have outpaced demand, particularly by Chinese manufacturers. Having taken time to establish a stable production system and with a limited number of customers, LUSR has been forced to sell mainly on a spot basis and has failed to achieve the earnings level originally expected. As a result, it has determined that it will continue to be difficult to secure the level of revenue originally expected and has decided to dissolve.

Although LUSR, our Malaysian base, will be dissolved, the UBE Group will continue to supply butadiene rubber from its bases in Japan (UBE Elastomer Co. Ltd.), Thailand (THAI SYNTHETIC RUBBERS COMPANY LIMITED), and China (TSRC-UBE (Nantong) Chemical Industrial Co., Ltd.) to meet customers' needs.

## 2. Expected Loss Amount

Following LUSR's resolution to be dissolved, we expect to record approximately 10 billion yen of share of loss of entities accounted for using equity method (e.g., impairment loss on non-current assets) in our consolidated results.

3. Outline of LUSR (As of October 21, 2024)

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|---|---|---|---|
| (1) | Name | LOTTE UBE SYNTHETIC RUBBER SDN. BHD. | |
| (2) | Location | PLO 8 Jalan Nibong 1, Tanjung<br>Langsat Industrial Estate, Pasir Gudang, Johor, Malaysia | |
| (3) | Representative | Ahn Pilseong, President | |
| (4) | Business Discription | Manufacture and sales of butadiene rubber | |
| (5) | Capital | 993,187 thousand ringgit (34,463 million yen)*1 | |
| (6) | Date of Establishment | January 2012<br>(Company name at the time of establishment: Malaysian Synthetic Rubber SDN. BHD. Renamed to its current name in February 2014.) | |
| (7) | Major shareholders and Ownership Ratio | UBE Group 50%<br>(Sum of shareholdings of UBE Corporation and UBE Elastomer Co. Ltd.)<br>LOTTE Chemical Corporation 50% | |
| (8) | Relationship between UBE and LUSR | Capital | UBE Group has a 50% stake in LUSR. |
| | | Personnel | An employee of UBE Elastomer Co. Ltd. (seconded from UBE) serves as Vice President. |
| | | Business | The butadiene rubber manufactured at LUSR is sold by UBE Elastomer Co. Ltd. |

*1: Converted into yen based on the exchange rate as of October 21, 2024, published by Bank Negara Malaysia (1 ringgit = 34.6993 yen).

4. Dates Related to Dissolution

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| Date of dissolution resolution by LUSR at its general meeting of shareholders | October 24, 2024*2 |
| Scheduled completion date of liquidation | TBD |

*2: This matter has been made public following its acceptance by the Companies Commission of Malaysia on October 24, 2024.

5. Impact on Earnings

For the impact on consolidated earnings for the fiscal year ending March 2025, please see “UBE Corporation Announces Revised Earnings Forecasts” released today.