Note: This English translation is for reference purposes only and is based on an original document submitted to the Tokyo Stock Exchange on December 5, 2024, in Japanese. In the event of any discrepancy between the Japanese original and this English translation, the original shall prevail. UBE Corporation assumes no responsibility for this translation or for any direct, indirect or other form of damages arising from the translation.

Corporate Governance Report

Last Update: December 5, 2024
UBE Corporation
Masato Izumihara, President and Representative Director
Contact: Corporate Communications Department
Securities Code: 4208
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The corporate governance of UBE Corporation ("UBE" or the "Company") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

The basic mission of the UBE Group, comprising UBE and its subsidiaries, is to secure sustainable growth throughout the Group and enhance corporate value over the medium and long term. To achieve these goals, as a company with an Audit and Supervisory Committee, UBE strives to establish effective corporate governance to enable the UBE Group to ensure the sustainability of appropriate business activities, and fulfill its responsibilities to all stakeholders including shareholders, customers, business partners, employees, and communities, while earning their confidence. This is achieved through the establishment of a system by which directors who are Audit and Supervisory Committee members with the right to conduct audits and state opinions have voting rights at the Board of Directors, thereby strengthening the supervisory function of the Board of Directors over business execution and speeding up business execution by delegating a portion of important decisions on business execution to the President and Representative Director.

Going forward, UBE will continue striving to enhance corporate governance, which includes streamlining management, increasing transparency, speeding up decision-making, clarifying management responsibility, and strengthening management oversight functions.

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

The reasons described below are based on Japan's Corporate Governance Code following the revision of June 2021 (including the content for the Prime Market). The Company has implemented all of the principles in the Corporate Governance Code.

[Disclosure Based on the Principles of the Corporate Governance Code]

UBE's approach to all 83 Corporate Governance Code principles, which comprise the General Principle, the Principles, and the Supplementary Principles, and includes the disclosure items based on the principles of the Code, is described at the end of this report under the title, "UBE's Approach to Corporate Governance Code Principles."

<Responses to realize business management conscious of cost of capital and share price> (Updated on December 4, 2024)

UBE's Responses to realize business management conscious of cost of capital and share price is described in Principle 5-2 at the end of this report under the title, "UBE's Approach to Corporate Governance Code Principles."

<Status of dialogue with shareholders>
UBE's status of dialogue with shareholders is described in Principle 5-1 at the end of this report under the title, "UBE's Approach to Corporate Governance Code Principles."

2. Capital Structure

Foreign Shareholding Ratio	From 20% to less than 30%

[Major Shareholders]

Name / Company Name	Number of Shares Owned	Percentage
The Master Trust Bank of Japan, Ltd. (Trust Account)	16,286,700	16.77%
Custody Bank of Japan, Ltd. (Trust Account)	6,160,920	6.34%
SUMITOMO LIFE INSURANCE COMPANY	2,000,000	2.06%
DFA INTL SMALL CAP VALUE PORTFOLIO	1,792,455	1.84%
Nippon Life Insurance Company	1,600,009	1.64%
THE YAMAGUCHI BANK, Ltd.	1,548,264	1.59%
JPMorgan Securities Japan Co., Ltd.	1,454,014	1.49%
JP MORGAN CHASE BANK 385781	1,321,545	1.36%
SSBTC CLIENT OMNIBUS ACCOUNT	1,250,874	1.28%
The Norinchukin Bank	1,237,409	1.27%

Controlling Shareholder (except for Parent Company)	-
Parent Company	None

Supplementary Explanation

-

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime Market
Fiscal Year-End	March
Type of Business	Chemicals
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Sales (consolidated) as of the End of the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 10 to less than 50

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

-

5. Other Special Circumstances which may have Material Impact on Corporate Governance

-

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Committee

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	15
Term of Office Stipulated in Articles of Incorporation	One year
Chairperson of the Board	Company Chairperson
Number of Directors	10
Appointment of Outside Director	Established
Number of Outside Directors	5
Number of Independent Directors	5

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Takefumi Fukumizu	Others											
Tsugio Mitsuoka	From another company											
Tamesaburo Yamamoto	Scholar											
Satoko Suzuki	From another company											
Tatsuya Tanaka	From another company											

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;
"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;
"▲"when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries
b. Non-executive director or executive of a parent company of the Company
c. Executive of a fellow subsidiary company of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the listed company or an executive thereof
f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/Corporate Auditor
g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
i. Executive of a company, between which and the Company outside directors/Corporate Auditors are mutually appointed (the director himself/herself only)
j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
k. Others

Outside Directors' Relationship with the Company (2)

Name	Audit and Supervisory Committee Member	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Takefumi Fukumizu		○	-	Fukumizu held a number of important positions during a long career with the Ministry of Economy, Trade and Industry. He currently serves as adviser of the non-profit Japan Testing Center for Construction Materials, a general incorporated foundation which has no major transactions with UBE. This ensures full independence from UBE and there is no risk of a conflict of interest with general shareholders. He currently utilizes this experience in providing useful opinions and giving accurate advice at Board of Directors, fulfilling his supervisory role in the decision-making process of key matters and regarding the overall management of the company. Additionally, as Chairman of the Nominating Committee, he has appropriately performed his duties by proactively offering opinions from an independent perspective regarding the selection and dismissal of director candidates and executive officers, thereby contributing to strengthening the supervisory function of the company's Board of Directors.
Tsugio Mitsuoka		○	-	Mitsuoka has long been involved in the management of IHI Corporation and currently serves as the Director and Chairman of the Board. Although there is chemical product trade between our company and IHI Corporation, the actual transaction amount is less than 1% of our company's net sales, which indicates that there is no special relationship of interest between the two companies and that sufficient independence is maintained, ensuring there is no risk of a conflict of interest with general shareholders. He currently utilizes this experience in providing useful opinions and giving accurate advice at Board of Directors, fulfilling his supervisory role in the decision-making process of key matters and regarding the overall management of the company. Additionally, as Chairman of the Remuneration Committee, he has appropriately performed his duties by proactively offering opinions from an independent perspective regarding the evaluation of and compensation for directors who are not Audit and Supervisory Committee members and executive officers, thereby contributing to strengthening the supervisory function of the company's Board of Directors.

Name	Audit and Supervisory Committee Member	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Tamesaburo Yamamoto	○	○	-	Yamamoto has had a long career as a legal scholar and held positions in various organizations in addition to being a professor at Keio University. Currently, he serves as professor emeritus at Keio University. He has never been a major shareholder of the company or an executive of a major business partner and is sufficiently independent such that there is no risk of a conflict of interest with general shareholders. He currently utilizes this experience in providing useful opinions and giving accurate advice at Board of Directors, fulfilling his supervisory role in the decision-making process of key matters and regarding the overall management of the company. Additionally, he has appropriately performed his duties as Chairman of the Audit and Supervisory Committee, contributing to ensuring the effectiveness of audits as well as ensuring the soundness and appropriateness of the company's management decision-making and improving its transparency.
Satoko Suzuki	○	○	-	Suzuki has been involved in accounting audits and support services for development of internal management systems at an auditing corporation for many years, and is currently serving as the Representative of a certified public accountant (CPA) office. She is qualified as a CPA and a tax accountant. She has never been a major shareholder of the company or an executive of a major business partner and is sufficiently independent such that there is no risk of a conflict of interest with general shareholders. She currently utilizes this experience in providing useful opinions and giving accurate advice at Board of Directors, fulfilling her supervisory role in the decision-making process of key matters and regarding the overall management of the company. Additionally, she has appropriately performed her duties as a member of the Audit and Supervisory Committee, contributing to ensuring the effectiveness of audits as well as ensuring the soundness and appropriateness of the company's management decision-making and improving its transparency.

Name	Audit and Supervisory Committee Member	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Tatsuya Tanaka	○	○	-	Tanaka was involved in the management of Fujitsu Limited for many years and retired as Chairman of the Board of Directors at the end of March 2020. Although there is software use and other trade between our company and Fujitsu, the actual transaction amount is less than 1% of our company's net sales, which indicates that there is no special relationship of interest between the two companies and that sufficient independence is maintained, ensuring there is no risk of a conflict of interest with general shareholders. He currently utilizes this experience in providing useful opinions and giving accurate advice at Board of Directors, fulfilling his supervisory role in the decision-making process of key matters and regarding the overall management of the company. Additionally, he has appropriately performed his duties as a member of the Audit and Supervisory Committee, contributing to ensuring the effectiveness of audits as well as ensuring the soundness and appropriateness of the company's management decision-making and improving its transparency.

[Audit and Supervisory Committee]

Committee's Composition and Attribute of Chairperson

	Audit and Supervisory Committee
Total Committee Members	4
Full-time Members	1
Inside Directors	1
Outside Directors	3
Chairperson	Outside Director

Directors and employees to assist the duties of the Audit and Supervisory Committee	Yes

Matters concerning the Independence of the Directors and Employees from Executive Directors

UBE has dedicated support staff to assist the Audit and Supervisory Committee. They assist with formulating audit plans and conducting audits, to facilitate the efficient and smooth execution of audits, under the supervision of the Audit and Supervisory Committee. Moreover, performance review, personnel transfers and disciplinary actions involving dedicated support staff must be authorized by the Audit and Supervisory Committee. The Audit and Supervisory Committee consults with the President and Representative Director with regard to enhancing support staff, securing independence from directors (excluding directors who are Audit and Supervisory Committee members), and securing the effectiveness of instructions that the Audit and Supervisory Committee issues to support staff.

Cooperation among Audit and Supervisory Committee, Accounting Auditors and Internal Audit Departments

The Audit Department conducts preliminary discussions about internal audit plans with the Audit and Supervisory Committee. The Audit and Supervisory Committee coordinates with the Audit Department in requesting investigations or giving instructions to the Audit Department, as necessary, on matters brought to the Committee's attention through the Audit Department's quarterly audit results reports, the monthly reports to the full-time Audit and Supervisory Committee members, and audits by the Audit and Supervisory Committee. The Audit Department continually exchanges information with UBE's independent accounting auditors and consults with them regarding the improvement of internal control systems and their operation. The Audit and Supervisory Committee receives reports on accounting audit plans and the quarterly audit reviews from UBE's independent accounting auditors, while the full-time Audit and Supervisory Committee members work collaboratively with UBE's independent accounting auditors by exchanging detailed information.

[Voluntary Establishment of Committee]

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established

Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Nominating Committee	Remuneration Committee
All Committee Members	3	3
Full-time Members	0	0
Inside Directors	1	1
Outside Directors	2	2
Outside Experts	0	0
Other	0	0
Chairperson	Outside Director	Outside Director

Supplementary Explanation

1. Nominating Committee
(a) Members: Two independent outside directors and one non-executive inside director (Chairman of the Board)
Takefumi Fukumizu (Chairperson, Outside Director, Independent Director), Tsugio Mitsuoka (Outside Director, Independent Director), Yuzuru Yamamoto (Chairman of the Board of Directors, Non-Executive Inside Director)
(b) Roles: The Nominating Committee deliberates on the appointment and dismissal of candidates for directors and executive officers as well as succession planning, and provides independent, objective, and effective advice to the Board of Directors.
* Outside directors who are Audit and Supervisory Committee members also attend.
2. Remuneration Committee
(a) Members: Two independent outside directors and one non-executive inside director (Chairman of the Board)
Tsugio Mitsuoka (Chairperson, Outside Director, Independent Director), Takefumi Fukumizu (Outside Director, Independent Director), Yuzuru Yamamoto (Chairman of the Board of Directors, Non-Executive Inside Director)
(b) Roles: The Remuneration Committee deliberates on the remuneration and remuneration systems of directors (excluding directors who are Audit and Supervisory Committee members) and executive officers, and provides independent, objective, and effective advice to the Board of Directors.
* Outside directors who are Audit and Supervisory Committee members also attend.

[Independent Directors/Corporate Auditors]

Number of Independent Directors/ Corporate Auditors	5

Matters relating to Independent Directors

UBE designates any and all outside directors as independent directors if they fulfill the qualifications for the position.
When none of the following apply to an outside director at UBE, the outside director concerned is deemed to be independent.

[Criteria for Determining Independence]
A. A person whose major customer is UBE or another person who executes business under such a person
B. A major customer of UBE or a person who executes business under such a person
C. A consultant, accounting professional, or legal professional who has obtained considerable money or other property from UBE other than director remuneration. (When the person who obtained the said property is a group such as a corporation or a union, etc., refers to a person who belongs to the said group.)
D. A person to whom any of A., B., or C. applied recently
E. A close relative of a person (excludes an inconsequential person) listed in any of (a) through (d) below.
(a) A person listed in A. through D.
(b) A person who executes business for a subsidiary of UBE
(c) A non-executive director of a subsidiary of UBE
(d) A person to whom (b) or (c) recently applied, or a person who recently executed business for UBE. (This includes a non-executive director when designating an outside director who is an Audit and Supervisory Committee member as an independent director.)
F. A person to whom any of A. through E. applied in the past and who can be deemed to be in the same position at present

[Incentives]

Incentive Policies for Directors	Performance-linked Remuneration, Other

Supplementary Explanation

UBE's officer remuneration system is composed of base compensation, annual incentives, and long-term incentives (that include restricted stock remuneration) and is determined specifically in accordance with the following (described in "Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods").

Recipients of Stock Options	-

Supplementary Explanation

-

[Director Remuneration]

Disclosure of Individual Directors' Remuneration	Partial disclosure only of individual amounts

Supplementary Explanation

In fiscal 2023, the total amount of remuneration, etc. for each category of officer, the total amount for each type of remuneration, etc., and the number of eligible officers were as published in "2. Total Amounts of Remuneration, etc. for Each Category of Officer, Total Amounts for Each Type of Remuneration, etc., and the Number of Eligible Officers" in "Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods" on the following pages.

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

1. Matters concerning Determination of the Total Amount of Remuneration for Directors

The total amount of remuneration for directors was approved at the 113th general meeting of shareholders on June 27, 2019, as follows: As of the conclusion of this General Meeting of Shareholders, the number of directors is nine (including four outside directors).

· 6 directors (excluding directors who are Audit and Supervisory Committee members): an annual amount up to 720,000,000 yen (includes an annual amount up to 85,000,000 yen for outside directors)

· 3 directors who are Audit and Supervisory Committee members: an annual amount up to 150,000,000 yen

Regarding the total amount of share compensation for directors, it was resolved at the 116th Ordinary General Meeting of Shareholders held on June 29, 2022, as follows: As of the conclusion of this General Meeting of Shareholders, the number of directors is ten (including five outside directors).

· 4 directors (excluding directors who are Audit and Supervisory Committee members and outside directors): Up to 70 million yen annually (The total amount of monetary claims to be paid as remuneration, etc., relating to restricted stocks, separate from cash remuneration)

2. Total Amounts of Remuneration, etc. for Each Category of Officer, Total Amounts for Each Type of Remuneration, etc., and the Number of Eligible Officers

Please refer to Appendix 1-1 for the total amounts of remuneration, etc. for each category of officer, total amounts for each type of remuneration, etc., and the number of eligible officers .

3. Matters related to the Policy on Determining Remuneration Amounts and Calculation Methods

< Policy on Determining Remuneration, etc., for Directors (excluding directors who are Audit and Supervisory Committee members)>

Items (1) through (7) below were resolved as the Company's "Policy on Determining Remuneration, etc., for Directors (excluding directors who are Audit and Supervisory Committee members)".

(1) Basic Policy

The remuneration of the Company's directors (hereinafter referred to as "directors," excluding directors who are Audit and Supervisory Committee members) consists of a remuneration structure that functions as a sufficient incentive for the continuous enhancement of corporate value. When determining the individual remuneration for directors, the basic policy is set at an appropriate level based on the responsibilities of each director within the limit of remuneration for directors resolved by the general meeting of shareholders.

With regard to the remuneration of directors (excluding outside directors) (hereinafter referred to as "inside directors"), the Company will strengthen the linkage with company performance and reflect achievement of not only single fiscal-year company performance but also medium- and long-term targets in remuneration. The Company will also provide share compensation-based remuneration in addition to cash remuneration to ensure that the structure of remuneration incentivizes efforts to improve corporate value over the medium and long term.

More specifically, remuneration of inside directors consists of fixed remuneration for each position as base compensation as well as annual incentive and long-term incentives as company-performance-linked remuneration. Annual incentive is composed of remuneration based on company-wide performance-linked remuneration, and remuneration based on evaluation of achievement of annual individual performance targets. Meanwhile, long-term incentives are composed of remuneration based on evaluation of achievement of medium-to-long-term individual performance targets and restricted stock remuneration.

With regard to the remuneration of outside directors, the Company pays base compensation only, at a fixed amount.

Please refer to Appendix 1-2 for the diagram.

(2) Policy on Determining the Amount of Base Compensation

The annual amount of base compensation for inside directors is determined according to the positions of the directors.

The annual amount of base compensation for outside directors is determined as a fixed amount.

(3) Policy on Determining the Details of Performance-Linked Remuneration (Excluding Restricted Stock Remuneration) and Method for Calculating the Amount

Of performance-linked remuneration for inside directors, company-wide performance-linked remuneration is calculated and determined by multiplying consolidated ordinary profit in the previous fiscal year by the coefficient for each position. Consolidated ordinary profit is used as the indicator because it also reflects the performance of equity-method affiliates, thereby incentivizing efforts to improve the performance of the entire UBE Group each fiscal year.

In addition, remuneration based on evaluation of achievement of annual individual performance targets and remuneration based on evaluation of achievement of medium-to-long-term individual performance targets are determined according to the level of achievement of the targets each officer set at the beginning of the previous fiscal year and the medium-to-long-term targets based on a pre-determined evaluation table for each position.

Please refer to Appendix 1-3 for the diagram.

(4) Details of Non-Cash Remuneration and Policy on Determining Method for Calculating the Amount

Non-cash remuneration for inside directors consists of restricted stock remuneration. With the aim of increasing the incentive for insider directors to achieve medium-to-long-term targets and enhance corporate value, restricted stocks are granted according to the positions of officers. In addition, for the fiscal year following the three year Medium-Term Management Plan period of the Company only, the number of shares granted is adjusted by 80% to 130% depending on the level of achievement of the management indicators (consolidated ordinary profit, consolidated free cash flow, and consolidated ROE) during the period.

Please refer to Appendix 1-4 for the diagram.

(5) Policy on Determining the Ratio for the Amount of Each Kind of Remuneration for Each Inside Director

The composition of the remuneration for each category of inside director is set appropriately, taking into consideration the balance between base compensation and performance-linked remuneration (including restricted stock remuneration) with an emphasis on enhancement of corporate value over the medium-to-long-term, while securing the level and stability of base compensation.

More specifically, the payment ratios of the base compensation, annual incentive, and long-term incentive (including restricted stock remuneration) are set roughly at 50%, 30%, and 20% respectively, based on the past records of the average consolidated ordinary profit and the median amount of the annual and medium-to-long-term individual performance target evaluation.

Please refer to Appendix 1-5 for the diagram.

(6) Policy on Determining the Timing and Conditions for the Granting of Remuneration, etc.

The individual remuneration for directors (excluding restricted stock remuneration for inside directors) is paid for a one-year term of office from July to June of the following year. The total amount is divided into 12 and paid monthly.

Restricted stock for inside directors are allotted and granted within one year of the date of the general meeting of shareholders for each fiscal year.

(7) Policy on Determining the Details of Individual Remuneration, etc., for Directors

The Remuneration Committee, which is an advisory body to the Board of Directors and chaired by an outside director with outside directors as a majority of its members, deliberates on the individual remuneration for directors to ensure transparency and objectivity. The results of the committee's deliberations are proposed and reported the Board of Directors, and the Board of Directors then determines the individual remuneration, etc., for directors.

The level of remuneration for directors is determined through comprehensive consideration while verifying its objective suitability with constant reference to officer remuneration research data from external research organizations and comparison with remuneration levels at major manufacturers that are similar to UBE in size and industry category.

<Targets and Results for Indicators Relating to Performance-Linked Remuneration (Excluding Restricted Stock Remuneration>

Performance-linked remuneration is composed of the following.

1. Remuneration linked to company-wide performance;

2. Remuneration linked to evaluation of achievement of annual individual performance targets; and

3. Remuneration linked to evaluation of achievement of medium-to-long-term individual performance targets.

For item 1, consolidated ordinary profit in the previous fiscal year is used as the indicator for remuneration linked to company-wide performance, and the amount of remuneration is calculated based on a formula in

which the indicator is multiplied by a coefficient for each position (consolidated ordinary profit in the previous fiscal year × coefficient for each position).

For item 2, the annual targets that each officer set at the beginning of the previous fiscal year are used as the indicators for remuneration linked to evaluation of achievement of annual individual performance targets.

For item 3, the medium-to-long term targets that each officer set at the beginning of the previous fiscal year are used as the indicators for remuneration linked to evaluation of achievement of medium-to-long term individual performance targets.

For item 2, remuneration linked to evaluation of achievement of annual individual performance targets, and item 3, remuneration linked to evaluation of achievement of medium-to-long-term individual performance targets, the amount of remuneration is determined in accordance with the level of achievement of the indicators.

Please refer to Appendix 1-6 for indicator targets and results.

Initiatives related to ESG are included in annual targets and medium- to long-term targets. UBE's most important management issues, which are growth in specialty chemicals and addressing global environmental issues, are based on ESG-related initiatives. UBE incorporates ESG goals that match each officer's functions, sets targets, evaluates performance and calculates remuneration to strengthen the incentives for achieving the goals. The details of the initiatives set as the targets for ESG goals differ for each officer's area of responsibility. The amount of remuneration calculated based on the level of achievement of ESG targets accounted for approximately 10% of total remuneration. The same system applies for executive officers.

Please refer to Appendix 1-7 for an image of the ESG targets for fiscal 2024.

<Overview of Procedure for Determining Remuneration, etc., for Officers>

(a) The Remuneration Committee, which is an advisory body to the Board of Directors and chaired by an outside director and has outside directors (excluding directors who are Audit and Supervisory Committee members) as a majority of its members, deliberates on officer remuneration, etc., for individual directors (excluding directors who are Audit and Supervisory Committee members) to ensure transparency and objectivity. The results of the committee's deliberations are proposed and reported to the Board of Directors, and the Board of Directors then determines the remuneration, etc., for directors. The amount of individual remuneration for directors who are Audit and Supervisory Committee members is determined in consultation with the Audit and Supervisory Committee members.

(b) The process for determining the amount of remuneration, etc. for directors was as follows: At the Remuneration Committee meeting in May 2023, the amount of remuneration, etc. for each individual director (excluding directors who are Audit and Supervisory Committee members) for fiscal 2023 was deliberated based on the degree of achievement of the performance targets for each individual director (excluding directors who are Audit and Supervisory Committee members) for fiscal 2022. At the Board of Directors in June 2023, the company, respecting the recommendation from the Remuneration Committee, determined the amount of remuneration, etc. for each individual director (excluding directors who are Audit and Supervisory Committee members). The Board of Directors and the Remuneration Committee confirmed that the performance and evaluation of individuals for each index were appropriate, and that remuneration was calculated in accordance with the Policy on Determining Remuneration Amounts and Calculation Methods (excluding directors who are Audit and Supervisory Committee members) above, and they determined that the amount of remuneration for each individual was appropriate.

The individual performance targets for directors (excluding directors who are Audit and Supervisory Committee members) for fiscal 2022 were discussed at the Remuneration Committee meeting in April 2022 and were decided at the Board of Directors in May 2022, respecting the recommendations from the said Committee.

<Details of Activities by the Remuneration Committee, etc.>

Please refer to Appendix 1-8 for the activities of the committee, etc., for deliberating and determining remuneration, etc., for directors (excluding directors who are Audit and Supervisory Committee members) in this fiscal year.

[Supporting System for Outside Directors]

The Company assigns a secretary in charge of the outside directors to provide support for the execution of business, including communication and coordination between the management team and the Audit and Supervisory Committee. The Company also distributes meeting materials in advance to all the directors, including the outside directors, prior to a meeting of the Board of Directors.

Directors who are Audit and Supervisory Committee members are supported by the Audit and Supervisory Committee's Office in order to facilitate the efficient and smooth execution of audits.

[Status of Persons Who Retired as Representative Director and President, etc.]

Names, etc. of Senior Advisers/Executive Advisors, etc. who previously served as Representative Director and President

Name	Job title	Description of position	Form and conditions of work (full time/part time, compensated/uncompensated)	Date of retirement as President	Term of office
-	-	-	-	-	-

Total number of Senior Advisers/Executive Advisors, etc. who previously served as Representative Director and President	0

Other Matters

UBE has stipulated that an advisor may be appointed by resolution of the Board of Directors. Under internal regulations, as a rule, the term of office is one year, with a maximum of three years.
In addition to providing advice and support related to various corporate management problems based on expertise and experience as necessary, the advisor has responsibility for UBE's externally directed activities such as economic organization activities, social and community contribution activities, and cultural activities.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)

[System for Management Decision Making and Execution of Business]
System for management decision-making and execution of business are described in "IV-1. Basic Views on Internal Control System and the Progress of System Development" in this report.

[Status of Internal Audits and Accounting Audits including Audits Conducted by Audit and Supervisory Committee, etc.]

(1) Audits Conducted by Audit and Supervisory Committee

i. The Audit and Supervisory Committee, as an independent body with a mandate from shareholders, monitors and verifies the development and operational status of internal control systems, and also supervises the directors and other business executives, in accordance with laws and regulations and the Regulations of the Audit and Supervisory Committee.

ii. Organization and Personnel of the Audits Conducted by Audit and Supervisory Committee

· The Audit and Supervisory Committee is composed of four Audit and Supervisory Committee members, three of whom are independent outside directors and one of whom is a full-time non-executive inside director. An outside director serves as the chairperson of the committee.

Furthermore, the outside directors, a legal scholar, a certified public accountant/tax accountant, and experienced corporate managers each conduct highly effective audit and supervisory activities as a committee based on their advanced professional knowledge, abundant experience, and high level of insight.

Audit and Supervisory Committee members:
Tamesaburo Yamamoto (Committee Chairperson, Outside Director, Independent Director)
Satoko Suzuki (Outside Director, Independent Director)
Tatsuya Tanaka (Outside Director, Independent Director)
Masayuki Fujii (Inside Director, Non-Executive Inside Director)

Satoko Suzuki, who is an Audit and Supervisory Committee member, is a certified public accountant and tax accountant, and Masayuki Fujii, who is a full-time Audit and Supervisory Committee member, is the Company's former CFO. As such, both have considerable knowledge in finance and accounting.

・In order to strengthen the functions of the Audit and Supervisory Committee and the Audit and Supervisory Committee members, the Audit and Supervisory Committee's Office, which is independent of executive departments, has been established. Three full-time staff members with experience in internal audits have been assigned to the Audit and Supervisory Committee's Office to provide support for the execution of the Audit and Supervisory Committee's duties.

iii. Activity Status

(a) Meetings of the Audit and Supervisory Committee and Attendance Status of Audit and Supervisory Committee Members

・ In principle, a meeting of the Audit and Supervisory Committee is held every month. Additional meetings are held any time deemed necessary. In the fiscal year ended March 31, 2024, the Audit and Supervisory Committee met 16 times. The attendance rate was 100% for all of the Audit and Supervisory Committee members.

(b) Overview of Audit Activities

・ Based on the audit policy and audit plans, the Audit and Supervisory Committee members hold regular meetings for the exchange of opinions with the President and Representative Director, and they perform audits of the executive directors, executive officers, internal control departments, and others. In addition, the Audit and Supervisory Committee members gather necessary information by, for example, receiving audit reports from UBE's independent accounting auditors and internal audit departments, attending the Strategic Management Meeting and other important meetings, inspecting important approval documents, and regularly exchanging information with the corporate auditors of subsidiaries and they report the results of the audit.

・ In order to ensure the appropriateness of the decision-making process regarding the appointment, dismissal, and remuneration, etc., of directors (excluding directors who are Audit and Supervisory Committee members), the outside Audit and Supervisory Committee members also attend the Nominating Committee and the Remuneration Committee to provide feedback as needed.

(2) Internal Audits

Internal audits are conducted by UBE's Audit Department, which has a staff of eight people and reports directly to the President as an independent organization. Internal audits cover the entire UBE Group including overseas subsidiaries, and are designed to check internal controls and verify regulatory compliance and adherence to internal rules and guidelines. The Audit Department seeks to identify potential risks in all business activities. Audits are conducted based on the annual audit plan. After the audit is completed, the results are communicated to the audited organizations, which are asked to respond with corrective measures for any issues that need improvement. The implementation status of these corrective measures is verified through follow-up audits six months later. Additionally, the Audit Department reports the results of the audits, including any issues that need improvement, to the President and the full-time Audit and Supervisory Committee members in a timely manner. The Audit Department also reports the implementation status of internal audits quarterly to the President and the Audit and Supervisory Committee, and biannually to the Board of Directors and the Strategic Management Meeting. The general manager of the Audit Department also participates in company-wide risk management organizations such as the Compliance Promotion Committee and Information Security Committee, and works with other committee members to strengthen risk management.

(3) Accounting Audit

UBE has appointed Ernst & Young ShinNihon LLC to undertake audit operations for the accounting audit. The names of the certified public accountants who executed accounting audit operations in fiscal 2023 are as listed below.

Names and other details of certified public accountants		Name of the auditing firm
Designated Limited Liability Partner	Hideaki Karaki	Ernst & Young ShinNihon LLC
	Ritsuko Narazaki	
	Yasuhiro Kai	

Details of individuals assisting in accounting audit operations
Number of certified public accountants: 11
Number of other staff: 28

[Functions of Nomination and Determination of Remuneration, etc.]
As mentioned earlier in this document, UBE operates Nominating and Remuneration Committees as advisory bodies to the Board of Directors. As of the time this report was updated, each committee is made up of three directors and is headed by an outside director. With regards to the determination of remuneration for the directors and executive officers of UBE, refer to "Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods" in "Director Remuneration" under "II-1. Organizational Composition and Operation" in this document.

3. Reasons for Adoption of Current Corporate Governance System

UBE aims to improve the management supervisory functions of the Board of Directors while promoting fairness and transparency of management. UBE transitioned to a company with an Audit and Supervisory Committee based on a resolution of the 113th general meeting of shareholders on June 27, 2019. This change was made to separate the supervisory function from the business execution function more clearly in management, to strengthen the supervisory function by the Board of Directors and to speed up decision-making on matters of business execution. UBE also adopted an executive officer system in June 2001 as a system that allows executive officers to concentrate on business execution. The present management team comprises 10 directors and 16 executive officers, three of whom are also directors.

As a rule, the Board of Directors is chaired by a director who does not serve as an executive officer. In view of legislation and the Articles of Incorporation, the Board of Directors sets forth in the Regulations of the Board of Directors the basic company policies and key managerial matters that should be decided by the Board of Directors and makes decisions on them, while other matters are delegated to the President and Representative Director. The executive directors and executive officers execute business for which the President and Representative Director delegates authority based on the management policy determined by the Board of Directors.

UBE has appointed outside directors since fiscal 2005, in order to secure an independent, third-party perspective on decision-making and monitoring of management and to secure the efficiency, transparency, and objectivity of management. Furthermore, UBE has established a Nominating Committee and Remuneration Committee, which are advisory bodies to the Board of Directors. As of the time this document was updated, the Nominating Committee and the Remuneration Committee were each made up of three directors, and outside directors serve as the chairs of both committees.

Under the current framework for corporate governance, UBE is striving to raise the efficiency of management and the speed of decision-making, to increase the transparency of management, and to improve management supervision and monitoring by incorporating outside perspectives.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meeting	As a rule, notification is sent out three weeks before the meeting, one week earlier than the statutory requirement.
Allowing Electronic Exercise of Voting Rights	Electronic exercise of voting rights is possible by accessing UBE's specified voting rights exercise site from a PC, smartphone, or mobile phone.
Participation in Electronic Voting Platform	UBE has adopted the electronic exercise of voting rights since the 104th general meeting of shareholders on June 29th, 2010 along with the introduction of an electronic voting platform. Convocation notices are posted on the Company website as well as the Tokyo Stock Exchange website, making it easy to obtain the information. Resolution notices are also posted on the Company's website.
Providing Convocation Notice in English	English translations that summarize convocation and resolution notices are also posted on the UBE's website.
Other	UBE identifies the General Shareholder Meeting as an opportunity for IR targeting individual investors, and the President provides explanations about the Company's management challenges and countermeasures after the end of the meeting.

2. IR Activities

	Supplementary Explanations	Briefing by the President
Preparation and Publication of Disclosure Policy	UBE has prepared policy on information disclosure and published it on the corporate website.	
Regular Investor Briefings for Individual Investors	UBE participates in briefings for individual investors that are organized by securities exchanges and securities companies as appropriate.	No
Regular Investor Briefings for Analysts and Institutional Investors	In addition to briefings after the announcement of fiscal year financial results and online conferences for each announcement of quarterly financial results, UBE holds business briefings and plant tours as appropriate.	Yes
Regular Investor Briefings for Overseas Investors	UBE regularly visits the main investors in each region of Europe, the United States, and Asia.	Yes
Posting of IR Materials on Website	UBE posts materials in detail, including documents disclosed to the stock exchange, financial results bulletins, business reports, past financial statements, integrated report, materials for IR briefings, and materials on management plans, which cover its vision and management policy, IR policy, policy on information disclosure, policy on corporate governance, dividend policy, and information concerning risks.	
Establishment of Department and/or Manager in Charge of IR	Department in charge: Corporate Communications Department, Manager in charge: GM of Corporate Communications Department	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Implementation of Environmental Activities, CSR Activities etc.	In order to fulfill its purpose as a corporate group centered on specialty chemicals, UBE and its Group companies strive for sustainable growth through the effective use of management resources and creation of new social value. To realize a sustainable society, which is fundamental for the Group, UBE ensures that all officers and employees of the Group are aware of the UBE Group Basic Policies for Sustainability and has defined materiality in the areas of growth, environment, society, and governance, which it is actively working to resolve. The UBE Group's activities to promote sustainability (CSR) and environmental preservation initiatives are reported in the Integrated Report and on the Company's website.
Development of Policies on Information Provision to Stakeholders	Under the UBE Group Basic Policies for Sustainability, UBE has adopted and implemented a policy which states, "We will practice appropriate information disclosure for all stakeholders and readily communicate with society." The UBE Action Guidelines, which were created to establish corporate ethics in the Group and are distributed to every single Group employee in pamphlet form, stipulate, "We will provide stakeholders with accurate corporate information and disclose it in a timely and fair manner."

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

The Board of Directors has outlined a basic policy for establishing an internal control system. Details are presented briefly as follows (date of initial resolution: May 11, 2006; most recent revision resolution date: June 12, 2024). Corporate organization details are covered under the decision-making system outlined in item 1-2 of the Basic Policy for Establishing Internal Control.

1. Securing Appropriate Business Execution by UBE and Its Subsidiaries

The basic mission of the UBE Group, comprising UBE and its subsidiaries, is to secure sustainable growth throughout the Group and enhance corporate value over the medium and long term. To achieve these goals, it is important to establish effective corporate governance to enable the UBE Group to ensure the sustainability of appropriate business activities, and fulfill its responsibilities to all stakeholders, including shareholders, customers, business partners, employees, and communities, while striving to earn their confidence. This is achieved through the establishment of a system by which directors who are Audit and Supervisory Committee members with the right to conduct audits and state opinions have voting rights at the Board of Directors. Thus, as a company with an Audit and Supervisory Committee, it will strive to strengthen the supervisory function of the Board of Directors over business execution and speed up business execution by delegating a portion of important decisions on business execution to the President and Representative Director.

The operational method and decision-making system of the UBE Group, which are a fundamental element for establishing corporate governance to realize this are as follows. The Group Management Guidelines are positioned as the basic policy for the implementation of this method and system.

(1) Group Management

The Board of Directors oversees the status of execution of important business based on the management strategy and operating results. The President and Representative Director is entrusted by the Board of Directors to oversee the business execution of the UBE Group. The President and Representative Director outlines the direction of business execution and sets objectives for head office, business division, and branch offices, etc., and determines the allocation of business resources in terms of distributing personnel, material, and financial resources to achieve the objectives of each division. In addition, the President and Representative Director endeavors to address important matters of business execution that are beyond the scope of the authority of divisions.

Furthermore, the President and Representative Director delegates authority to the executive directors and executive officers to make effective use of allocated management resources and execute business operations to achieve targets as well as reporting periodically on the status of business execution in the medium- and long-term management plans and the status of establishment and operation of the internal control system in order to ensure the effectiveness of the supervisory functions of the Board of Directors.

A management system that is appropriate for a holding company has been established for the Machinery segment, which consists of UBE MACHINERY CORPORATION, Ltd. and its subsidiaries, to maximize the corporate value of the UBE Group.

(2) Decision Making

UBE uses the following system for meetings on management decisions, in order to separate the supervisory function and the business execution function in running the company and secure the transparent and efficient execution of management.

a) Board of Directors

The Board of Directors deliberates on and makes decisions about matters that are stipulated in the Companies Act of Japan and Regulations of the Board of Directors, the basic corporate direction of the companies and important matters of business execution, from a medium- and long-range perspective on behalf of the interests of shareholders. Furthermore, UBE appoints outside directors in order to provide an independent, third-party perspective for decision-making and monitoring of management, and secure the efficiency, transparency, and objectivity of management. UBE also employs a Nominating Committee and a Remuneration Committee as discretionary advisory bodies within the Board of Directors.

b) Strategic Management Meeting
The Strategic Management Meeting deliberates on and makes decisions about allocation of resources for the entire UBE Group and matters needing coordination within the Group, important matters that impact the entire Group, in accordance with the Group Management Guidelines and the Strategic Management Meeting Regulations.
In addition, the Strategic Management Meeting (Sustainability Committee) deliberates and decides on key matters related to the Group's sustainability, in accordance with the Basic Policies for Sustainability, and also deliberates and decides on key matters related to the safety management of high-pressure gas facilities, etc. as the security measures headquarters defined by the High Pressure Gas Safety Act.

c) Holdings Meeting
Important matters for the management of UBE Machinery Group and other especially important matters that affect the management as a holding company are deliberated and decided based on the Group Management Guidelines and Holdings Meeting Regulations.

2. Securing Regulatory Compliance and Adherence to the Articles of Incorporation by Directors and Employees Executing Duties at UBE and Its Subsidiaries
The UBE Group has developed a set of Personal Action Guidelines outlining the Company's corporate ethics. The guidelines outline the standards and criteria for compliance in corporate activities, which directors and employees are expected to adhere to.

UBE appoints compliance officers who are responsible for securing and promoting compliance throughout the Company, preventing acts that undermine fair and free market competition, and ensuring the soundness of corporate activities, and operates a Compliance Promotion Committee that includes a legal adviser and acts as an advisory body for compliance officers. Furthermore, UBE makes it a basic condition of export management to prohibit the illegal export or supply of restricted cargo and technology that are subject to export regulations aimed at maintaining international peace and safety, including foreign exchange and international trade legislation.

The Company operates the Security Export Control Committee to ensure that these restrictions are comprehensively communicated within the UBE Group.

In addition, UBE operates the UBE C-Line as a direct hotline for directors and employees to report on compliance matters by surpassing normal channels. This encourages rapid reporting and swift correction of compliance issues.

The Personal Action Guidelines outlines the UBE Group's basic commitment to eradicating anti-social forces. In addition, the Board of Directors has established a Basic Policy for Anti-Social Forces. The policy outlines specific strategies to block relations with anti-social forces such as entities and organizations that threaten civil society, and directs the Company's steadfastly refuse to meet unreasonable demands.

UBE will furthermore ensure that there is an internal framework in place to secure compliance with accounting standards and other regulations, and ensure the reliability of financial reporting.

3. Preservation and Management of Information concerning Execution of Duties by Directors of UBE and System for Reporting Matters concerning Execution of Duties by Directors of Subsidiaries to UBE
Documentation including magnetic recordings are stored and also made viewable as needed, in accordance with regulatory requirements and internal rules relating to the Board of Directors, internal memos, Strategic Management Meeting and Holdings Meeting.

UBE requires directors of its subsidiaries to report to UBE on essential matters in accordance with the rules of various committees stipulated by UBE. Additionally, UBE also requires them to immediately report on important events at their companies to UBE.

4. Rules and Other Measures for Risk Management at UBE and Its Subsidiaries
UBE identifies risks that could hinder the achievement of business objectives and assesses the probability and impact of the risks in order to implement suitable measures, in the decision making by the Board of Directors, Strategic Management Meeting and Holdings Meeting.

As internal structures related to managing any risk of losses at UBE and its subsidiaries, UBE has established a unified company-wide management system that identifies risks and collects information on likelihood and impact of occurrence, department that engages in integrated management of risk information, and a Risk Management Committee that deliberates on the appropriateness and effectiveness of risk management.

The following committees also pursue risk management for specific areas of risks.

(1) Information Security Committee

The Information Security Committee develops information security policies, and endeavors to ensure that all employees are familiar with the policies while monitoring compliance. The committee also prepares rules and regulations for information security.

(2) Crisis Management Committee

The Crisis Management Committee operates a unified framework for internal and external crisis management. The committee prepares manuals that outline procedures for information gathering and prescribe the internal and external response to swiftly handle emergencies that arise in and outside of Japan.

5. Securing Efficient Execution of Duties by Directors of UBE and Its Subsidiaries

As a company with an Audit and Supervisory Committee, UBE clearly separates the supervisory function and business execution function in running the company with the aim of speeding up decision making as the Board of Directors. The Board of Directors plays a role as a body that promotes the maximization of corporate value from a medium- and long-range perspective, on behalf of the interests of shareholders, concentrates on the supervisory function while delegating a portion of important decisions on business execution to the President and Representative Director. UBE has also put in place a system that allows executive officers to concentrate on executing business in the executive officer system.

The Board is chaired by a director who does not serve as an executive officer. By monitoring the suitability and efficiency of business execution, the Board endeavors to increase transparency and maximize corporate value while minimizing risks.

UBE continually studies its corporate governance and strives to strengthen and speed up its business execution, to achieve strategic decision making and better corporate governance.

Subsidiaries as part of the UBE Group will also endeavor to ensure that their directors efficiently execute their duties through Group Management which is written in the first basic policy ("Securing Appropriate Business Execution by UBE and Its Subsidiaries").

6. Framework for Support Staff where Required by the Audit and Supervisory Committee, Independence of Support Staff from Directors (Excluding Directors who are Audit and Supervisory Committee members), and Securing the Effectiveness of Instructions from the Audit and Supervisory Committee to Support Staff

UBE assigns dedicated staff to assist the Audit and Supervisory Committee. The dedicated support staff assist with formulating audit plans and conducting audits by the Audit and Supervisory Committee, to facilitate the efficient and smooth execution of audits under the supervision of the Audit and Supervisory Committee. Moreover performance review, personnel transfers and disciplinary actions involving the dedicated support staff must be authorized by the Audit and Supervisory Committee.

The Audit and Supervisory Committee consults with the President and Representative Director with regard to enhancing support staff, securing independence from directors (excluding directors who are Audit and Supervisory Committee members), and securing the effectiveness of instructions that the Audit and Supervisory Committee issues to support staff.

7. Reporting by Directors (Excluding Directors Who Are Audit and Supervisory Committee Members), Executive Officers and Employees of UBE and Its Subsidiaries, and Corporate Auditors of Subsidiaries, to UBE's Audit and Supervisory Committee; Prohibiting Adverse Treatment Due to Reporting

Directors (excluding directors who are Audit and Supervisory Committee members) and employees of UBE and its subsidiaries and corporate auditors of the subsidiaries immediately report to UBE's Audit and Supervisory Committee if they uncover a major legal violation by UBE or a subsidiaries, important facts related to compliance, or facts that could potentially be seriously damaging. UBE prohibits adverse treatment of personnel because of the reporting and makes UBE and its subsidiaries fully aware that such adverse treatment is prohibited.

8. Policy for Reimbursing (After or In Advance) Expenses for the Execution of Duties by Directors Who Are Audit and Supervisory Committee Members, and Handling of Other Expenses and Liabilities from Execution of Duties

When a director who is an Audit and Supervisory Committee member issues an invoice to be reimbursed in advance for executing duties, UBE pays the expenses or debts without delay, unless it is discovered that the

expenses or liabilities connected with the invoice are not essential to the duties of the director who is an Audit and Supervisory Committee member concerned.

9. Other Matters concerning Audit Execution by Audit and Supervisory Committee

To ensure that directors who are Audit and Supervisory Committee members are kept aware of the process for important decisions and status of business execution, directors who are Audit and Supervisory Committee members attend important meetings to provide feedback. In addition, directors who are Audit and Supervisory Committee members review important approval documents and can request business reports from directors (excluding directors who are Audit and Supervisory Committee members), executive officers, and employees. The Audit and Supervisory Committee regularly meets with the President and Representative Director, to verify the management policy and exchange opinions on important issues.

The Audit and Supervisory Committee conducts preliminary discussions about internal audit plans with internal audit departments. It also receives regular reports, including the results of audits, and may provide instructions to internal audit departments as necessary. The Audit and Supervisory Committee exchanges information with corporate auditors at subsidiaries and may request internal audit departments to investigate or give them instructions as necessary.

Furthermore, the Audit and Supervisory Committee receives briefings from UBE's independent accounting auditors on the accounting audit plan and audit results, and works collaboratively with independent accounting auditors through the regular exchange of information.

Directors who are Audit and Supervisory Committee members may attend meetings of the Nominating Committee and the Remuneration Committee, which are advisory bodies to the Board of Directors, in order to provide oversight of personnel matters and remuneration of directors (excluding directors who are Audit and Supervisory Committee members).

2. Basic Views on Eliminating Anti-Social Forces and Establishment of Internal Structure

1. Basic Views on Eliminating Anti-Social Forces

UBE created the UBE Action Guidelines in 1998 as the standard for the practice of compliance in the Group's business activities as well as the conduct of every officer and employee, and the UBE Group strives to promote compliance and ensure corporate ethics. Chapter 2 of the UBE Action Guidelines, "Legal Compliance," rules, "We will comply with applicable legislation and our company regulations, conducting ourselves as a member of a sound society. We will refrain from any ties or transactions with anti-social forces," clearly expressing our basic views on eliminating anti-social forces.

Moreover, UBE has specified the Basic Policy for Anti-Social Forces below based on a resolution of the Board of Directors.

The UBE Group will adhere to the following policies to protect against anti-social forces, including mobsters and groups or individuals who seek to use violence, threats or fraudulent means to pursue economic gain.

a. We do not maintain relations of any kind or conduct transactions with anti-social forces.
b. We refuse to meet the demands of anti-social forces, and will pursue legal avenues against such demands through civil courts and criminal justice.
c. Under no circumstances will we pay money to or cover up transactions with anti-social forces.
d. We will work closely with external organizations, including police authorities, the National Center for the Elimination of Boryokudan, and attorneys, to protect against anti-social forces.
e. We will keep a unified corporate front in response to the demands of anti-social forces, to protect the safety of our officers and employees

2. Establishment of Internal Structure for the Elimination of Anti-Social Forces

(Development of Code of Ethics, Code of Conduct, and Internal Rules, Etc.)

In addition to the UBE Action Guidelines, which clearly state the Group's stance on anti-social forces, and the Basic Policy for Anti-Social Forces based on the aforementioned resolution of the Board of Directors, the Group has established internal rules in order to prevent transactions with anti-social forces.

(Development of Internal Structures)
(1) Ordinary Response
a) Establishment of Department in Charge of Response and Manager in Charge of Preventing Unreasonable Demands
The department in charge of response is the Legal & General Affairs Department, and the manager in charge of preventing unreasonable demands is the executive officer with responsibility for the Legal & General Affairs Department.

b) Collaboration with External Specialist Institutions
The Company builds close collaborative relationships while consulting with legal advisors and external consultants at all times.

c) Gathering and Management of Information Concerning Anti-Social Forces
The Company gathers the necessary information through participation in related bodies, including the police, and external seminars. Moreover, the department in charge (the Legal & General Affairs Department) strives to identify the latest trends related to anti-social forces and exchange information within the Group.

d) Preparation of Response Manual
The department in charge (the Legal & General Affairs Department) has prepared a response manual based on an anti-social forces scenario, which it has distributed to employees. The department is also committed to widely disseminating explanation of the policy for responding to anti-social forces as well as concrete case studies and precautions.

e) Implementation of Training Activities
The Company runs training (e-learning) for officers and all employees using PCs.

(2) Emergency Response
In the event that an unreasonable demand from anti-social forces is received, the Company responds as an organization as a whole.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation
-

2. Other Matters Concerning to Corporate Governance System

[Corporate Governance System, Including an Overview of Internal Control System]
Please refer to Appendix 2 for a schematic diagram.

[Overview of Timely Disclosure System]
The internal structure relating to the timely disclosure of the Company's corporate information is as described below. Please refer to Appendix 3 for a schematic diagram.

1. Basic Stance on Timely Disclosure
The UBE Group emphasizes the importance of sincerity in its IR activities. It aims to provide timely, appropriate, and fair disclosure to promote understanding of the Group's management policies, strategies, and business status in capital markets, as well as to increase the transparency of management and earn greater trust from the market.

In addition, active engagement in bilateral communication between the Company and shareholders, investors, securities analysts, and other market participants fills mutual perception gaps and provides feedback for management on perceptions and evaluations in the market.

2. Scope of Information Disclosure
UBE is committed to ensuring compliance with the Financial Instruments and Exchange Act and other related legislation, and discloses important corporate information in accordance with rules for timely disclosure prescribed by the Tokyo Stock Exchange (TSE). Furthermore, the Company pursues active and fair disclosure of information that it deems to be useful in assisting all stakeholders, including shareholders and investors, to understand the Company, even beyond the scope of TSE rules for timely disclosure.

3. Method of Information Disclosure
UBE discloses information that is within the scope of the TSE rules for timely disclosure through publication on TDnet, which is operated by the Tokyo Stock Exchange, in addition to providing news releases for press clubs in the Tokyo and Ube regions. Information that has been disclosed is also promptly posted on the Company's website.

UBE also strives for fair and extensive disclosure of information beyond the scope of TSE rules for timely disclosure through the Company's website and the media.

4. Internal Structure Relating to Timely Disclosure
The department with responsibility relating to timely disclosure is the Corporate Communications Department.

(1) Information on Decisions
Information on decisions where disclosure is required under timely disclosure regulations is included in the agenda of the Board of Directors based on legislation such as the Companies Act or the Company's regulations. The Corporate Communications Department checks for the existence of items subject to timely disclosure and carries out timely disclosure after approval at the Board of Directors.

(2) Information on Facts which Occurred
Information on facts which occurred is promptly passed on by the department in which the fact occurred to the Corporate Communications Department under internal regulations such as Regulations on the Prevention of Insider Trading and the Timely Disclosure of Internal Information. When the information is subject to timely disclosure, the Corporate Communications Department reports to the representative director, and the

executive officer with responsibility for the Corporate Communications Department in addition to carrying out timely disclosure.

(3) Information on Earnings
Information on earnings where disclosure is required under timely disclosure regulations is an agenda item for the meeting of the Board of Directors or Strategic Management Meeting, and the Corporate Communications Department carries out timely disclosure after approval by the Board of Directors, etc.

(4) Information on Subsidiaries
For information on subsidiaries where disclosure is required under timely disclosure regulations, the manager of the department at UBE with responsibility for the subsidiary concerned obtains the information and promptly contacts the Corporate Communications Department under internal regulations such as Regulations on the Prevention of Insider Trading and the Timely Disclosure of Internal Information. When the information is subject to timely disclosure, the Corporate Communications Department reports to the representative director, and the executive officer with responsibility for the Corporate Communications Department in addition to carrying out timely disclosure.

[Appendix 1-1]

Classification	Number of Directors	Fixed Compensation (Million yen)	Performance-linked Remuneration (Million yen)			Total Remuneration (Million yen)
		Base Compensation	Annual Incentives	Long-term Incentives		
					Of which, Restricted Stock Remuneration	
Directors excluding directors who are Audit and Supervisory Committee members (Of which, outside directors)	7 (2)	141 (21)	37 (-)	57 (-)	27 (-)	236 (21)
Directors who are Audit and Supervisory Committee members (Of which, outside directors)	6 (4)	81 (43)	- (-)	- (-)	- (-)	81 (43)
Total (Of which, outside directors)	13 (6)	223 (64)	37 (-)	57 (-)	27 (-)	318 (64)

(Notes) 1. There are no employee-directors.
2. The remuneration of directors who are Audit and Supervisory Committee members consists solely of a fixed base remuneration.
3. Stock remuneration (restricted stock remuneration) is the amount recorded as an expense in the current fiscal year in accordance with accounting standards. Therefore, it is not a form of remuneration paid in monetary form, nor is it a form of remuneration with guaranteed payment of money.

[Appendix 1-2]

Classification	Fixed / Performance-linked Remuneration	Structure of Remuneration	Name of Item	Form of Payment
Inside Directors	Fixed compensation	Base compensation	Fixed remuneration for each position	Cash remuneration
	Performance-linked remuneration	Annual incentives	Company-performance-linked remuneration	
			Remuneration based on evaluation of achievement of annual individual performance targets	
		Medium-to-long-term incentives	Remuneration based on evaluation of achievement of medium-to-long-term individual performance targets	
			Restricted stock remuneration	Share compensation
Outside Directors	Fixed compensation	Base compensation	No name (base compensation only, at a fixed amount)	Cash remuneration

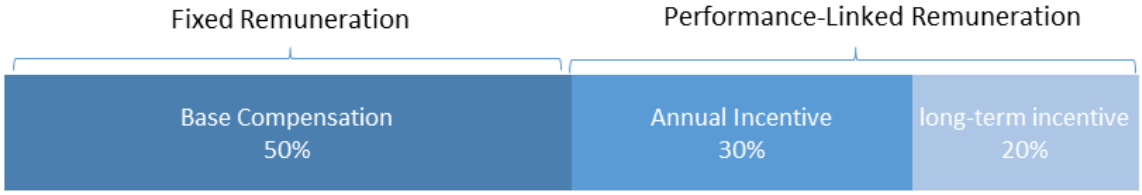
[Appendix 1-3]

Name of Item	Classification	Method of Calculation
Company-Performance-Linked Remuneration	Company performance	Consolidated ordinary profit in the previous fiscal year × coefficient for each position
Remuneration Based on Evaluation of Achievement of Annual Individual Performance Targets	Individual performance	Level of achievement of annual targets for each officer
Remuneration Based on Evaluation of Achievement of Medium-to-Long-Term Individual Performance Targets	Individual performance	Level of achievement of three- to five-year medium-to-long-term targets for each officer

[Appendix 1-4]

Name of Item	Classification	Method of Calculation
Restricted Stock Remuneration	Company performance	Ordinary year = A, Adjusted year = B A. Base amount for each position ÷ Average share price during the previous fiscal year + Number of shares carried over from the previous fiscal year B: Base amount for each position ÷ Average share price during the previous fiscal year × (100% + grant ratio – 20% - 30%) + Number of shares carried over from the previous fiscal year (*Adjusted in a range from 80% to 130% depending on the level of achievement of the management indicators)

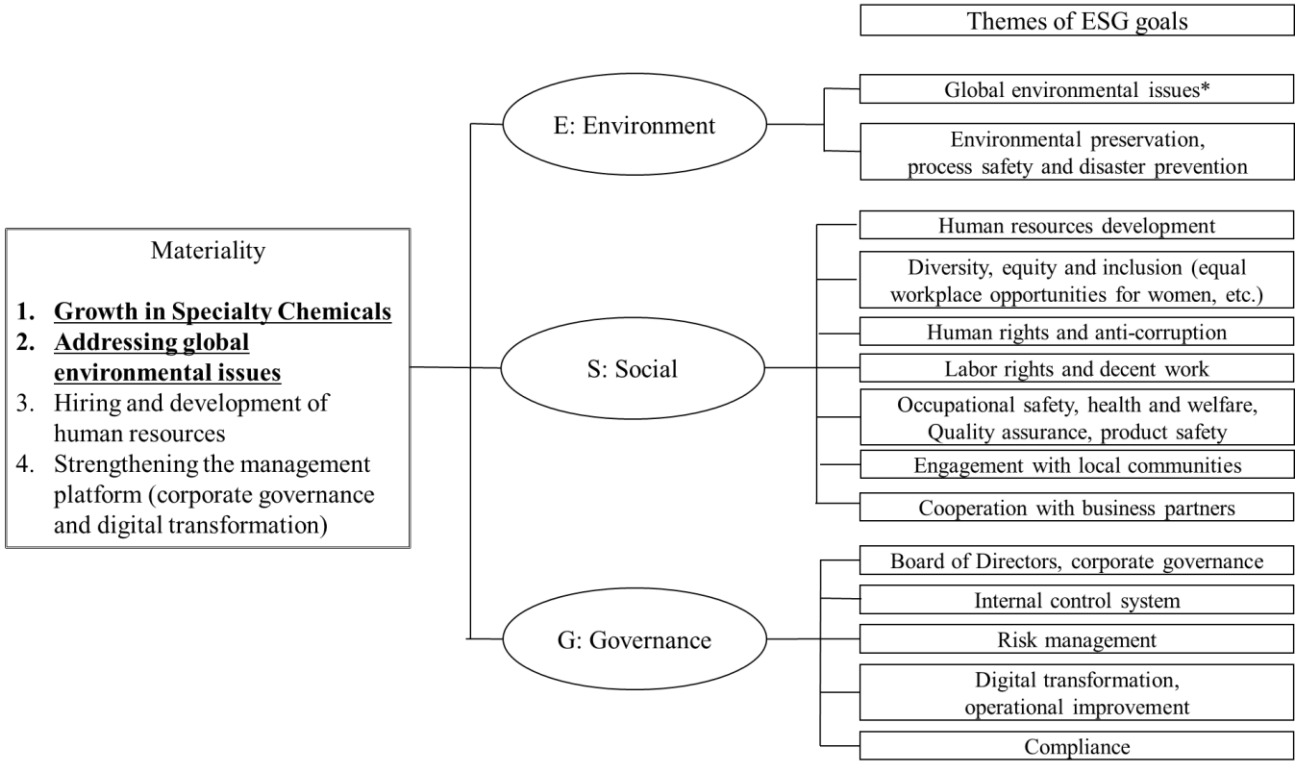
[Appendix 1-5]



[Appendix 1-6]

Name of Item	Indicator of Classification	Targets (FY2022)	Results (FY2022)
Company-Performance-Linked Remuneration	Consolidated ordinary profit	¥31.0 billion	¥(8.6) billion
Remuneration Based on Evaluation of Achievement of Annual Individual Performance Targets	Annual Targets	For each individual	For each individual
Remuneration Based on Evaluation of Achievement of Medium-to-Long-Term Individual Performance Targets	Medium-to-Long-Term Targets	For each individual	For each individual

[Appendix 1-7]



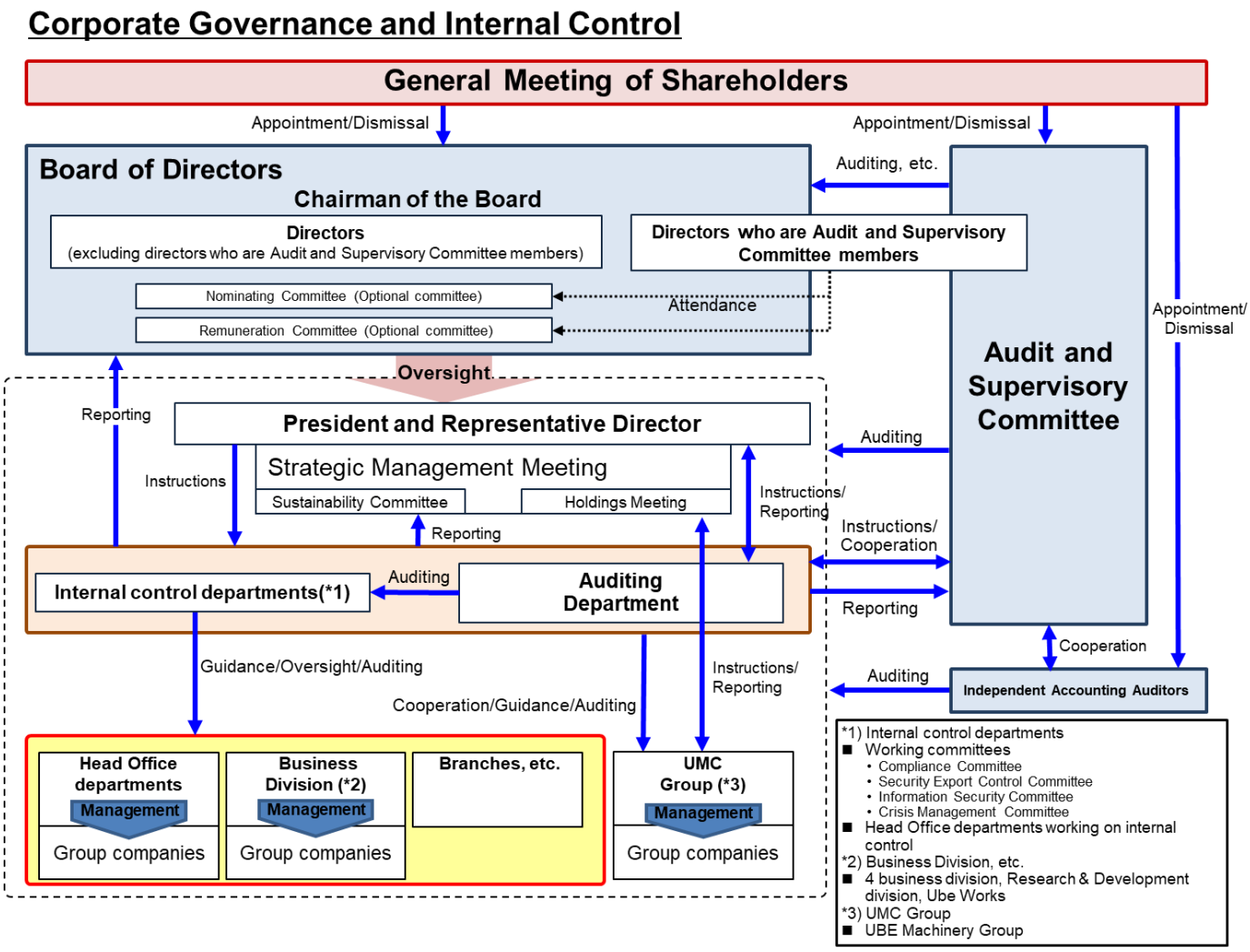
※Global environmental issues : Set guidelines in three priority areas in response to changes in the external environment

1. Addressing climate change (carbon neutrality)
2. Contributing to a circular society (circular economy)
3. Contributing to nature conservation and restoration (Nature Positive)

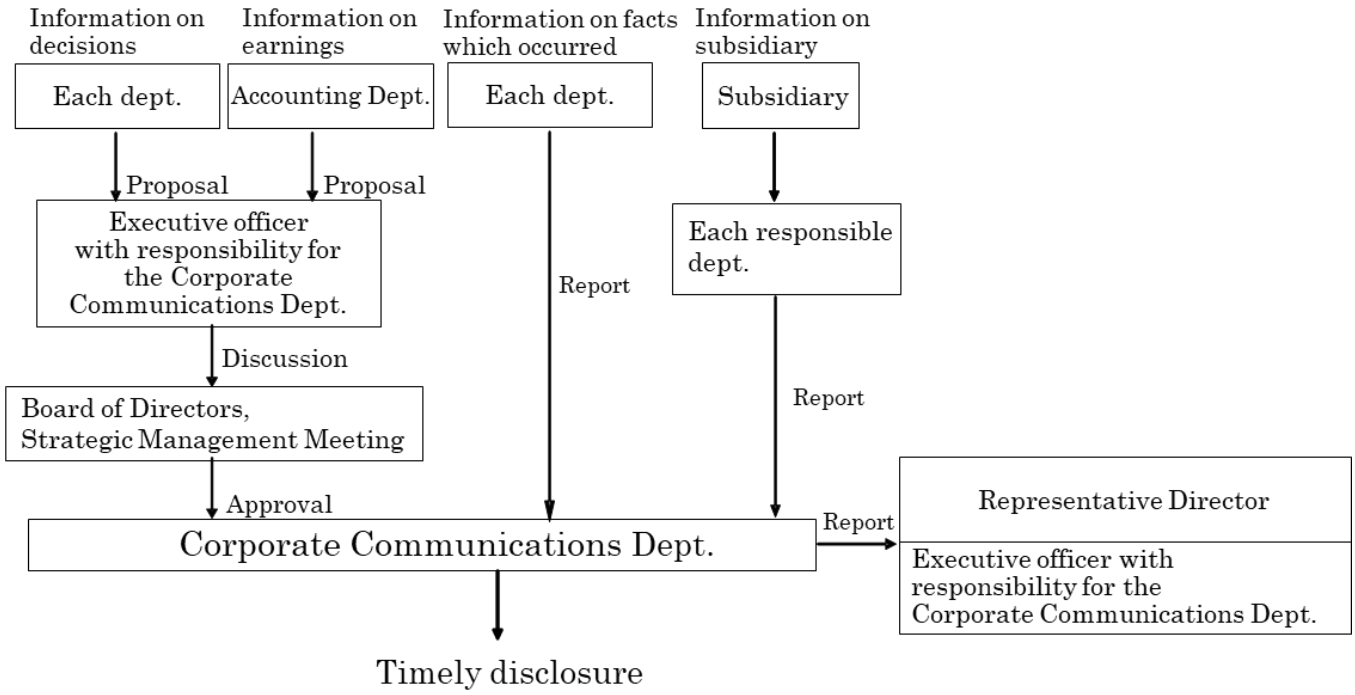
[Appendix 1-8]

Committee, etc.	Number of Meetings	Details of Discussion
Remuneration Committee	Three	・ Discussion on setting fiscal 2023 performance targets for officers ・ Evaluation of performance of officers in fiscal 2022 and deliberation and determination of the amount of individual remuneration to be paid in fiscal 2023 ・ Deliberation on allotment of restricted stock remuneration in fiscal 2023
Board of Directors	Three	・ Discussion/decision on setting fiscal 2023 performance targets for officers ・ Evaluation of performance of officers in fiscal 2022 and deliberation and determination of amount of individual remuneration to be paid in fiscal 2023 ・ Deliberation/decision on the amount of restricted stock remuneration, stock remuneration, etc. for fiscal 2023

[Appendix 2] Schematic Diagram of Management System



[Appendix 3] Schematic Diagram of Internal System Relating to Timely Disclosure of Corporate Information



December 5, 2024
UBE Corporation

UBE's Approach to Corporate Governance Code Principles

Section 1: Securing the Rights and Equal Treatment of Shareholders

【General Principle 1】
Companies should take appropriate measures to fully secure shareholder rights and develop an environment in which shareholders can exercise their rights appropriately and effectively.
In addition, companies should secure effective equal treatment of shareholders.
Given their particular sensitivities, adequate consideration should be given to the issues and concerns of minority shareholders and foreign shareholders for the effective exercise of shareholder rights and effective equal treatment of shareholders.

UBE recognizes that appropriate cooperation and interactive dialogue with its shareholders and other stakeholders are important for its sustained growth and increase in medium- to long-term corporate value. As such, UBE takes appropriate measures and develops an environment to fully secure shareholder rights, such as by striving to adequately disclose information so that shareholders can exercise their rights appropriately and effectively at general shareholder meetings.

Giving consideration to securing the rights of minority shareholders and foreign shareholders, UBE also strives to secure effective equal treatment of the rights of all shareholders.

【Principle 1-1 Securing the Rights of Shareholders】
Companies should take appropriate measures to fully secure shareholder rights, including voting rights at the general shareholder meeting.

UBE addresses the exercise of shareholders' rights in a proper and lawful manner to fully secure the rights of shareholders.

As for the exercise of voting rights at general shareholder meetings, the Company provides a diverse range of methods, such as voting in person on the day of the meeting, in writing, and via the Internet. It also strives to ensure that shareholders can exercise their voting rights without hindrance, such as by disclosing various information in both Japanese and English.

【Supplementary Principle 1-1①】
When the board recognizes that a considerable number of votes have been cast against a proposal by the company and the proposal was approved, it should analyze the reasons behind opposing votes and why many shareholders opposed, and should consider the need for shareholder dialogue and other measures.

In order to appropriately incorporate shareholders' opinions into business management, UBE analyzes the results of votes on each agenda item of the general shareholder meeting each year and considers the necessary response for items that received many negative votes by discussing it at board meetings.

【Supplementary Principle 1-1②】
When proposing to shareholders that certain powers of the general shareholder meeting be delegated to the board, companies should consider whether the board is adequately constituted to fulfill its corporate governance roles and responsibilities. If a company determines that the board is indeed adequately constituted, then it should recognize that such delegation may be desirable from the perspectives of agile decision-making and expertise in business judgment.

As a company with an Audit and Supervisory Committee, UBE has established a system by which directors who are Audit and Supervisory Committee members with the right to conduct audits and state opinions have voting rights at board meetings, thereby strengthening the supervisory function of the Board of Directors over business execution and speeding up business execution by delegating certain decisions on important business execution to the President and Representative Director. The Board of Directors, five of the ten members of which are independent outside directors, is chaired by a director who does not serve as an executive officer, as a rule.

Under this governance system, UBE has set forth in its Articles of Incorporation to delegate those powers of the general shareholder meeting that concern interim dividends and the acquisition of treasury shares through market trading, etc. to the Board of Directors in accordance with the provisions of the Companies Act. When making a new proposal to shareholders to delegate powers of the general shareholder meeting to the Board of Directors going forward, UBE will take into consideration the securing of agile decision-making and expertise in business judgment in view of the system above.

【Supplementary Principle 1-1③】

Given the importance of shareholder rights, companies should ensure that the exercise of shareholder rights is not impeded. In particular, adequate consideration should be given to the special rights that are recognized for minority shareholders with respect to companies and their officers, including the right to seek an injunction against illegal activities or the right to file a shareholder lawsuit, since the exercise of these rights tend to be prone to issues and concerns.

When shareholder rights, especially those that are recognized for minority shareholders, are exercised, UBE fully understands the purport of the exercise and responds in good faith by ensuring that the securing of shareholder rights is not impeded.

【Principle 1-2 Exercise of Shareholder Rights at General Shareholder Meetings】

Companies should recognize that general shareholder meetings are an opportunity for constructive dialogue with shareholders, and should therefore take appropriate measures to ensure the exercise of shareholder rights at such meetings.

In consideration of ensuring constructive dialogue with shareholders and providing sufficient information for such dialogue, UBE takes appropriate measures to ensure the exercise of shareholder rights, such as striving to enhance information provision through early sending of convening notices and disclosures on the company website in both Japanese and English, offering voting via the Internet and participating in an electronic voting platform, and live streaming the proceedings of general shareholder meetings.

【Supplementary Principle 1-2①】

Companies should provide accurate information to shareholders as necessary in order to facilitate appropriate decision-making at general shareholder meetings.

In order to facilitate appropriate decision-making at general shareholder meetings, UBE strives to provide easy-to-understand disclosures by expanding the content and incorporating charts and photographs in the convening notices.

【Supplementary Principle 1-2②】

While ensuring the accuracy of content, companies should strive to send convening notices for general shareholder meetings early enough to give shareholders sufficient time to consider the agenda. During the period between the board approval of convening the general shareholder meeting and sending the convening notice, information included in the convening notice should be disclosed by electronic means such as through TDnet or on the company's website.

To give shareholders sufficient time to consider the agenda of general shareholder meetings, UBE sends convening notices no later than three weeks before the meeting and makes prior disclosures through TDnet and the company website around four weeks before the meeting.

【Supplementary Principle 1-2③】

The determination of the date of the general shareholder meeting and any associated dates should be made in consideration of facilitating sufficient constructive dialogue with shareholders and ensuring the accuracy of information necessary for such dialogue.

In Article 13 of its Articles of Incorporation, UBE sets forth that its general shareholder meeting shall be held in June each year.

The current date has been determined in consideration of the time needed for accurate reporting of operating results, audits, and preparing for the general shareholder meeting. Convening notices are published on TDnet and the Company's website around four weeks before the meeting to provide shareholders with sufficient time to consider the agenda.

【Supplementary Principle 1-2④】

Bearing in mind the number of institutional and foreign shareholders, companies should take steps for the creation of an infrastructure allowing electronic voting, including the use of the Electronic Voting Platform, and the provision of English translations of the convening notices of general shareholder meeting.

In particular, companies listed on the Prime Market should make the Electronic Voting Platform available, at least to institutional investors.

Since a significant number of shares are held by institutional investors and foreign investors, UBE uses an electronic voting platform, and posts an English translation of the notices of

convocation for the ordinary general meeting of shareholders on the Company's website and the website of the Japan Exchange Group.

【Supplementary Principle 1-2⑤】
In order to prepare for cases where institutional investors who hold shares in street name express an interest in advance of the general shareholder meeting in attending the general shareholder meeting or exercising voting rights, companies should work with the trust bank (shintaku ginko) and/or custodial institutions to consider such possibility.

Pursuant to the provisions of its Articles of Incorporation, UBE limits the shareholders attending general shareholder meetings and exercising their voting rights to nominal shareholders or proxies who are nominal shareholders.

However, if a substantial shareholder, such as an institutional investor holding shares in the name of a trust bank or other nominee shareholder, expresses an interest in advance of the general shareholder meeting in attending the general shareholder meeting, UBE will consider such possibility and consult with the trust bank or other nominee.

【Principle 1-3 Basic Strategy for Capital Policy】
Because capital policy may have a significant effect on shareholder returns, companies should explain their basic strategy with respect to their capital policy.

UBE considers a balance of sustained growth and a stable financial base to be conducive to the interests of shareholders. Consequently, in view of the outcomes of financial structure reform to date, the Company plans to actively implement capital expenditure and M&As required to expand profits and strengthen the business base while being fully aware of the risks posed by a deterioration in the financial position over the long term.
UBE's basic policy is to continue to pay consistent dividends while investing aggressively to drive growth and seeking to further enhance future shareholder returns. The Company aims to achieve a dividend on equity (DOE) ratio of at least 2.5% and a consolidated total return ratio of at least 30%, including share buybacks, over the three years of its medium-term management plan that began in fiscal 2022. These basic policies are posted in the Annual Securities Report, on the Company's website, and in the Integrated Report.

【Principle 1-4 Cross-Shareholdings】
When companies hold shares of other listed companies as cross-shareholdings, they should disclose their policy with respect to doing so, including their policies regarding the reduction of cross-shareholdings. In addition, the board should annually assess whether or not to hold each individual cross-shareholding, specifically examining whether the purpose is appropriate and whether the benefits and risks from each holding cover the company's cost of capital. The results of this assessment should be disclosed.
Companies should establish and disclose specific standards with respect to the voting rights as to their cross-shareholdings, and vote in accordance with the standards.

UBE may strategically hold listed or unlisted stock when it is deemed necessary to maintain and strengthen business alliances and trading relationships and to smoothly promote the Company's business activities. For listed shares among the strategically held stocks, the Board of Directors conducts an annual review of individual securities and makes a comprehensive judgment on whether the shareholding is appropriate in consideration of the Company's capital costs. Strategically held stocks that are considered not to have sufficient significance to hold will be promptly sold, taking into account the trends in the stock market.

Moreover, in the exercise of voting rights for strategic shareholdings, UBE determines its approval and disapproval for proposals after a comprehensive judgement based on whether the proposal will produce a return for the Company through an increase in the shareholder value of the investee company.

【Supplementary Principle 1-4①】
When cross-shareholders (i.e., shareholders who hold a company's shares for the purpose of cross-shareholding) indicate their intention to sell their shares, companies should not hinder the sale of the cross-held shares by, for instance, implying a possible reduction of business transactions.

When a cross-shareholder indicates an intention to sell shares, UBE accepts the sale without obstruction.

【Supplementary Principle 1-4②】
Companies should not engage in transactions with cross-shareholders which may harm the interests of the companies or the common interests of their shareholders by, for instance, continuing the transactions without carefully examining the underlying economic rationale.

UBE does not and will not engage in transactions with cross-shareholders which may harm the common interests of the companies or their shareholders by, for instance, continuing the transactions without carefully examining the underlying economic rationale.

【Principle 1-5 Anti-Takeover Measures】

Anti-takeover measures must not have any objective associated with entrenchment of the management or the board. With respect to the adoption or implementation of anti-takeover measures, the board and kansayaku should carefully examine their necessity and rationale in light of their fiduciary responsibility to shareholders, ensure appropriate procedures, and provide sufficient explanation to shareholders.

UBE has not implemented anti-takeover measures at this time.
If such anti-takeover measures are to be implemented in the future, UBE will fully examine their necessity and rationale, ensure appropriate procedures, and provide sufficient explanation to the shareholders.

【Supplementary Principle 1-5①】

In case of a tender offer, companies should clearly explain the position of the board, including any counteroffers, and should not take measures that would frustrate shareholder rights to sell their shares in response to the tender offer.

In case of a tender offer, UBE shall promptly examine the offer carefully and clearly explain the position of the Board of Directors to shareholders. Upon doing so, UBE shall not take measures that would frustrate shareholder rights to sell their shares in response to the tender offer at their own discretion.

【Principle 1-6 Capital Policy that May Harm Shareholder Interests】

With respect to a company's capital policy that results in the change of control or in significant dilution, including share offerings and management buyouts, the board and kansayaku should, in order not to unfairly harm the existing shareholders' interests, carefully examine the necessity and rationale from the perspective of their fiduciary responsibility to shareholders, should ensure appropriate procedures, and provide sufficient explanation to shareholders.

UBE understands that its capital strategies have a major impact on the interests of shareholders and does not implement capital strategies that are likely to unfairly damage the interests of existing shareholders. When a capital increase is required such as for a large-scale M&A, the Board of Directors and Audit and Supervisory Committee thoroughly study the necessity and rationality from the viewpoint of fulfilling the fiduciary responsibility to shareholders and ensure the appropriate procedures in addition to providing a full explanation to shareholders.

【Principle 1-7 Related Party Transactions】

When a company engages in transactions with its directors or major shareholders (i.e., related party transactions), in order to ensure that such transactions do not harm the interests of the company or the common interests of its shareholders and prevent any concerns with respect to such harm, the board should establish appropriate procedures beforehand in proportion to the importance and characteristics of the transaction. In addition to their use by the board in approving and monitoring such transactions, these procedures should be disclosed.

The Board of Directors has stipulated in the Regulations of the Board of Directors that transactions between directors and the Company shall be approved by the Board of Directors. With regards to an actual transaction, the Board of Directors will deliberate on and approve the appropriacy of the substance of the transaction in advance from the viewpoint of whether it will damage the common interests of the Company and the shareholders in addition to receiving a report on the outcome of the transaction. The same procedure shall also be followed when a transaction with a major shareholder is to take place.

Section 2: Appropriate Cooperation with Stakeholders Other Than Shareholders

【General Principle 2】

Companies should fully recognize that their sustainable growth and the creation of mid- to long-term corporate value are brought about as a result of the provision of resources and contributions made by a range of stakeholders, including employees, customers, business partners, creditors and local communities. As such, companies should endeavor to appropriately cooperate with these stakeholders.

The board and the management should exercise their leadership in establishing a corporate culture where the rights and positions of stakeholders are respected and sound business ethics are ensured.

For its sustainable growth and the creation of medium- to long-term corporate value, UBE engages in corporate activities based on its two founding principles of “coexistence and mutual prosperity” and “from finite mining to infinite industry” and strives to establish effective corporate governance, as well as to coexist with society by deepening the trust of stakeholders through daily dialogue.

Going forward, it will continue to add depth to its cooperative relationship with its various stakeholders in order to remain a company that contributes to society at large.

Furthermore, to establish a corporate culture where the rights and positions of stakeholders are respected and sound business ethics are ensured under the leadership of its Board of Directors and management, UBE has established the UBE Group Action Guidelines as a code of conduct, which stipulates that officers and employees conduct business in accordance with laws and regulations in and outside of Japan and internal regulations, in respect of social norms, and with a social conscience at all times. The Company also strives to address issues surrounding sustainability, promote diversity, equity and inclusion, and ensure compliance in accordance with UBE Group Basic Policies for Sustainability.

【Principle 2-1 Business Principles as the Foundation of Corporate Value Creation Over the Mid- to Long-Term】

Guided by their position concerning social responsibility, companies should undertake their businesses in order to create value for all stakeholders while increasing corporate value over the mid- to long-term. To this end, companies should draft and maintain business principles that will become the basis for such activities.

UBE continues to embrace its two founding principles of “coexistence and mutual prosperity” and “from finite mining to infinite industry.” It also upholds its mission and direction as a company that meets ever-diversifying and complex needs and creates new value for society as its corporate philosophy, and clarifies its purpose. The Company has also established the values it emphasizes in conducting business activities as its management principles.

UBE Corporate Philosophy:

Pursue technology and embrace innovation to create value for the future and contribute to social progress

Purpose:

Leveraging the manufacturing technologies the UBE Group has cultivated throughout its long history, create the value required by society, in the safe and environmentally friendly manner demanded by society, and deliver that value to the people. And by doing so, help to solve global environmental issues, which have become a common issue for all humankind, and contribute to people’s lives and health, and an enriched future society.

UBE Management Principles:

“Ethics”, “Safety and Security”, “Quality”, and “People”

https://www.ube.com/ube/en/corporate/management/vision/

Based on its corporate philosophy and purpose stated above, UBE has also set forth its vision for 2030 and the management measures to achieve the vision, such as structural changes, in its long-term vision “UBE Vision 2030 Transformation,” and has established its medium-term management plan “UBE Vision 2030 Transformation—1st Stage” as a specific action plan for up to fiscal 2024. Under this vision and plan, UBE aims to achieve sustainable growth and increase medium- to long-term corporate value by promoting sustainability management, which comprises structural changes with a strong awareness of specialization and global environmental initiatives and the enhancement of human capital and promotion of DX (Digital Transformation) that support the changes.

【Principle 2-2 Code of Conduct】
Companies should draft and implement a code of conduct for employees in order to express their values with respect to appropriate cooperation with and serving the interests of stakeholders and carrying out sound and ethical business activities. The board should be responsible for drafting and revising the code of conduct, and should ensure its compliance broadly across the organization, including the front line of domestic and global operations.

UBE established the UBE Group Action Guidelines in 1998 as a code of conduct so that the Company, its Group companies, officers, and employees comply with laws and regulations both within and outside Japan and internal regulations, respect social norms, and act with a social conscience when carrying out business activities, while expressing its values with respect to appropriate cooperation with and serving the interests of stakeholders and carrying out sound and ethical business activities. Subsequently, the Company revised the Guidelines as appropriate in response to the demands of society on companies, such as addressing global environmental issues and respecting human rights under the oversight by the Board of Directors, and posted the Guidelines on the intranet and/or distributed brochures to officers and employees of the Company and Group companies to spread and demand compliance with the Guidelines at the frontline of business activities both within and outside Japan.

The UBE Group Action Guidelines can be found on the company website.
https://www.ube.com/ube/en/sustainability/

【Supplementary Principle 2-2①】
The board should review regularly (or where appropriate) whether or not the code of conduct is being widely implemented. The review should focus on the substantive assessment of whether the company's corporate culture truly embraces the intent and spirit of the code of conduct, and not solely on the form of implementation and compliance.

To review whether the UBE Group Action Guidelines, its code of conduct, are being widely implemented within the company, UBE conducts an awareness survey of all officers and employees on compliance on a regular basis based on the Group Action Guidelines. This awareness survey is designed to confirm, through multiple questions, whether the individual's duties and business activities are conducted with an awareness of and in accordance with the Group Action Guidelines by having each individual reflect on his/her action and the situation of the company and/or workplace. The executive officers report on the results of the survey in their report on the status of compliance promotion within the Group to the Board of Directors, which then reviews the penetration and implementation of the code of conduct.

【Principle 2-3 Sustainability Issues, Including Social and Environmental Matters】
Companies should take appropriate measures to address sustainability issues, including social and environmental matters.

UBE's promotion of sustainability is about managing the company itself. UBE will contribute to solving social issues by identifying its materiality concerning the various social issues surrounding sustainability and setting medium- to long-term goals as well as creating new value by using management resources efficiently. UBE's sustainability activities involve increasing its corporate value and purpose, growing sustainably toward the future, deepening the trust of stakeholders through daily dialogue, seeking coexistence with society at large, and spreading our founding principle of "coexistence and mutual prosperity" globally through these corporate activities. UBE conforms to the UBE Group Basic Policies for Sustainability, which indicate the Group's commitment to promoting sustainability through business activities and its contribution to the realization of a sustainable society. UBE describes the five matters it should actively carry out on its website and in its integrated report. The Board of Directors receives regular reports on sustainability activities and exercises appropriate oversight, including taking measures as necessary.
https://www.ube.com/ube/en/sustainability/
Specific measures concerning global environmental issues are stated on the company website and in the integrated report.
https://www.ube.com/ube/en/sustainability/

【Supplementary Principle 2-3①】
The board should recognize that dealing with sustainability issues, such as taking care of climate change and other global environmental issues, respect of human rights, fair and appropriate treatment of the workforce including caring for their health and working environment, fair and reasonable transactions with suppliers, and crisis management for natural disasters, are important management issues that can lead to earning opportunities as well as risk mitigation, and should further consider addressing these matters positively and proactively in terms of increasing corporate value over the mid-to long-term.

The Board of Directors recognizes that addressing sustainability issues is an important management issue, and it has established the UBE Group Basic Policies for Sustainability, which clearly state UBE's commitment to continuously expanding revenues and enhancing corporate value. Based on the UBE Group Basic Policies for Sustainability, UBE has formulated basic policies on initiatives in these areas: global environmental issues, respect for human

rights, occupational safety and health initiatives, sustainable procurement, and risk management and has disclosed them on Company's website in order to exercise appropriate oversight.

UBE Group Policy for Achieving Carbon Neutrality by 2050
https://www.ube.com/ube/en/sustainability/
UBE Group Human Rights Guidelines
https://www.ube.com/ube/en/sustainability/
Basic Approach to Occupational Safety and Health Initiatives
https://www.ube.com/ube/en/sustainability/
UBE Group Sustainable Procurement Guidelines
https://www.ube.com/ube/en/assets/images-en/page/corporate/profile/koubai/csr_guideline.pdf
UBE Group Risk Management Framework
https://www.ube.com/ube/en/sustainability/
The Board of Directors regularly receives reports on the initiatives related to these sustainability issues and verifies the status of the initiatives. Initiatives on these sustainability issues are also disclosed on the Company's website.
https://www.ube.com/ube/en/sustainability/

【Principle 2-4 Ensuring Diversity, Including Active Participation of Women】
Companies should recognize that the existence of diverse perspectives and values reflecting a variety of experiences, skills and characteristics is a strength that supports their sustainable growth. As such, companies should promote diversity of personnel, including the active participation of women.

UBE positions diversity, equity and inclusion as its top priority issue, which it intends to integrate with various technologies, knowledge, and perspectives to generate innovation and turn it into a driving force for expanding business globally and creating new value.

UBE will promote diversity, equity and inclusion as the basic policy of its medium-term management plan starting from fiscal 2022, as well as make efforts to improve work engagement within the entire Group.

UBE will promote the following three priority measures:

(1) Providing greater opportunities for women
Percentage of women in the workforce: 18%
Percentage of women in management positions: 6%
(Indicators for fiscal 2024, on a consolidated basis in Japan)

(2) Percentage of mid-career recruitment in the workforce (generalist positions): 50% or more
Non-Japanese recruitment in the workforce (generalist positions): multiple people(same as above)

(3) Introducing specialist system, hiring highly specialized mid-career recruits, and enhancing measures for rehired retirees

Efforts related to these issues and the UBE Group Human Resources Management Guidelines are posted on the company website.
https://www.ube.com/ube/en/sustainability/

【Supplementary Principle 2-4①】
Companies should present their policies and voluntary and measurable goals for ensuring diversity in the promotion to core human resources, such as the promotion of women, foreign nationals and midcareer hires to middle managerial positions, as well as disclosing their status.
In addition, in light of the importance of human resource strategies for increasing corporate value over the mid-to long-term, companies should present its policies for human resource development and internal environment development to ensure diversity, as well as the status of their implementation.

The Company considers diversity, equity and inclusion as one of its most important management policies. UBE accordingly seeks to build a corporate culture that respects individuality and broad perspectives including those of women, foreign nationals, and midcareer hires with diverse career backgrounds, and treasures creativity and ambition.

Based on the recognition that ensuring diversity in management positions is essential for sustainable growth of the company, UBE has set a target for the ratio of managerial positions held by women (6% by fiscal 2024, 15% by the end of fiscal 2030), which is disclosed in the Integrated Report. Although UBE has not set numerical targets for the appointment of foreign nationals and midcareer hires to management positions, they are treated equally in appointment and promotion based on fair evaluation of individual ability. In addition, UBE has appointed two foreign nationals as Executive Officers.

UBE is also developing a program and environment that enable all employees, not only those caring for a child or elderly, to work flexibly according to their individual needs so that a diverse range of employees can choose the workstyle that suits their circumstances. With regards to women in the workforce, in addition to enhancing the Women's Leadership Development Program, which includes individual career development interviews and meetings to exchange opinions with senior management, UBE has disclosed its Voluntary Action Plan to

Promote Women to Executive and Managerial Positions in the Integrated Report.

https://www.ube.com/ube/en/ir/ir_library/integrated_report/

【Principle 2-5 Whistleblowing】

Companies should establish an appropriate framework for whistleblowing such that employees can report illegal or inappropriate behavior, disclosures, or any other serious concerns without fear of suffering from disadvantageous treatment. Also, the framework should allow for an objective assessment and appropriate response to the reported issues, and the board should be responsible for both establishing this framework, and ensuring and monitoring its enforcement.

To swiftly detect and correct compliance issues, UBE has established the UBE C-Line, a contact point that employees can contact directly and not through internal reporting lines. When a report is made to the UBE C-Line, the Compliance Promotion Secretariat cooperates with the organization concerned and investigates the matter swiftly and carefully in order to arrive at a resolution.

The Board of Directors receives reports on compliance on a regular basis and oversees the operation of the whistleblowing framework.
https://www.ube.com/ube/en/sustainability/

【Supplementary Principle 2-5①】

As a part of establishing a framework for whistleblowing, companies should establish a point of contact that is independent of the management (for example, a panel consisting of outside directors and outside kansayaku). In addition, rules should be established to secure the confidentiality of the information provider and prohibit any disadvantageous treatment.

As a whistleblowing framework, UBE has not only established a reporting channel to an external professional agency that is completely independent from the Company, but also a channel through which employees can directly report to the directors who are Audit and Supervisory Committee members, and a channel where reports are accepted by the labor union.
In addition, the UBE Group Whistleblowing Framework Regulations include provisions on the anonymity of whistleblowers and prohibition of disadvantageous treatment.

【Principle 2-6 Roles of Corporate Pension Funds as Asset Owners】
Because the management of corporate pension funds impacts stable asset formation for employees and companies' own financial standing, companies should take and disclose measures to improve human resources and operational practices, such as the recruitment or assignment of qualified persons, in order to increase the investment management expertise of corporate pension funds (including stewardship activities such as monitoring the asset managers of corporate pension funds), thus making sure that corporate pension funds perform their roles as asset owners. Companies should ensure that conflicts of interest which could arise between pension fund beneficiaries and companies are appropriately managed.

UBE has established an Asset Management Committee composed of officers and employees with knowledge and experience in personnel, finance, and investor relations in order to ensure the appropriate management of pension fund assets. The Asset Management Committee has formulated a policy asset mix and investment style that forms the basis for controlling risk and achieving the prospective yield. Based on this, the committee entrusts asset management to asset management institutions and receives periodic reports from each institution on investment performance, management systems, status of stewardship activities, and so forth, so that it may perform comprehensive evaluations and remove or appoint asset management institutions. The committee also manages any conflict of interest that may arise between the beneficiaries of the corporate pension plan and the Company appropriately.

Section 3: Ensuring Appropriate Information Disclosure and Transparency

【General Principle 3】

Companies should appropriately make information disclosure in compliance with the relevant laws and regulations, but should also strive to actively provide information beyond that required by law. This includes both financial information, such as financial standing and operating results, and non-financial information, such as business strategies and business issues, risk and governance.

The board should recognize that disclosed information will serve as the basis for constructive dialogue with shareholders, and therefore ensure that such information, particularly non-financial information, is accurate, clear and useful.

UBE appropriately discloses information in accordance with the relevant laws and regulations, such as the Financial Instruments and Exchange Act, and the Timely Disclosure Rules set forth by the Tokyo Stock Exchange. This includes both financial information and non-financial information, such as business strategies and business issues, risk and governance. UBE makes it its basic policy to also actively and fairly disclose information that does not correspond to the Timely Disclosure Rules to help all stakeholders, including shareholders and investors, understand the Company.

UBE fully recognizes that disclosed information forms the basis of constructive dialogue with shareholders, and therefore strives to use easy-to-understand expressions as much as possible while ensuring accuracy.

【Principle 3-1 Full Disclosure】

In addition to making information disclosure in compliance with relevant laws and regulations, companies should disclose and proactively provide the information listed below (along with the disclosures specified by the principles of the Code) in order to enhance transparency and fairness in decision-making and ensure effective corporate governance:

i) Company objectives (e.g., business principles), business strategies and business plans;

ii) Basic views and guidelines on corporate governance based on each of the principles of the Code;

iii) Board policies and procedures in determining the remuneration of the senior management and directors;

iv) Board policies and procedures in the appointment/dismissal of the senior management and the nomination of directors and kansayaku candidates; and

v) Explanations with respect to the individual appointments/dismissals and nominations based on iv).

i) The UBE Group, comprising UBE and its Group companies, inherited both “coexistence and mutual prosperity” and “from finite mining to infinite industry” as its founding spirit, which is set forth in its Corporate Philosophy. These provide the mission and direction for the Company as it strives to keep providing new value for society to meet diversifying and increasingly complex needs. These statements also clarify the purpose of the Company, which represents its value for society.

Founding Principles:

“Coexistence and mutual prosperity” and “From finite mining to infinite industry”

Purpose:

Leveraging the manufacturing technologies the UBE Group has cultivated throughout its long history, create the value required by society, in the safe and environmentally friendly manner demanded by society, and deliver that value to the people. And by doing so, help to solve global environmental issues, which have become a common issue for all humankind, and contribute to people’s lives and health, and an enriched future society.

UBE has published its management strategy and management plan on its corporate website.

https://www.ube.com/ube/en/corporate/management/vision/

https://www.ube.com/ube/en/corporate/management/strategy/

ii) Basic approach and basic policy on corporate governance
The basic approach and policy on corporate governance of the UBE Group, comprising UBE and its Group companies, are as described in “I-1. Basic Views,” “II-3. Reasons for Adoption of Current Corporate Governance System” and “IV-1. Basic Views on Internal Control System and the Progress of System Development” in this report.

iii) The policy and procedures for determining the remuneration of directors are as described in “Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods” in “Director Remuneration” under “II-1. Organizational Composition and Operation” in this document.

iv) In order to achieve appropriate decision-making and management supervision for business activities, UBE nominates and appoints persons with a wealth of business and operational experience as directors (excluding outside directors) as well as management executives, and persons with an independent and objective viewpoint and a high level of insight who are able to actively express their opinions and make recommendations as outside directors. UBE also dismisses such persons when it is deemed that these functions are not adequately performed.

Moreover, in terms of the procedures for appointments, dismissals and nominations of directors (excluding directors who are Audit and Supervisory Committee members), the Board of Directors makes resolutions following deliberations by the Nominating Committee, which is an advisory body to the Board of Directors, and the resolutions of the Board of Directors are discussed and approved by the general meeting of shareholders. For appointments, dismissals and nominations of directors who are Audit and Supervisory Committee members, the Board of Directors makes resolutions following deliberations by the Nominating Committee, and after obtaining the agreement of the Audit and Supervisory Committee, the resolutions of the Board of Directors are discussed and approved by the general meeting of shareholders. The Board of Directors determines appointments, dismissals and nominations of management executives following deliberations by the Nominating Committee.

v) The reasons for the appointment or dismissal of directors (excluding directors who are Audit and Supervisory Committee members) and directors who are Audit and Supervisory Committee members are published in the notice of convocation for the ordinary general meeting of shareholders.
https://www.ube.com/ube/en/ir/shareinfo/meeting/

【Supplementary Principle 3-1①】
These disclosures, including disclosures in compliance with relevant laws and regulations, should add value for investors, and the board should ensure that information is not boiler-plate or lacking in detail.

In disclosing the aforementioned information (including disclosures in compliance with laws and regulations), the Board of Directors strives to ensure accuracy while making the disclosures as easy to understand as possible.

【Supplementary Principle 3-1②】
Bearing in mind the number of foreign shareholders, companies should, to the extent reasonable, take steps for providing English language disclosures. In particular, companies listed on the Prime Market should disclose and provide necessary information in their disclosure documents in English.

Bearing in mind convenience for foreign investors, UBE provides financial statements in English (via the Tokyo Stock Exchange) and English-language disclosures of the necessary information in its disclosure documents, including the Company website, the notices of convocation for the ordinary general meeting of shareholders, the medium-term management plan and presentation materials for financial results, Integrated Report, and important press releases.

【Supplementary Principle 3-1③】
Companies should appropriately disclose their initiatives on sustainability when disclosing their management strategies. They should also provide information on investments in human capital and intellectual properties in an understandable and specific manner, while being conscious of the consistency with their own management strategies and issues.
In particular, companies listed on the Prime Market should collect and analyze the necessary data on the impact of climate change-related risks and earning opportunities on their business activities and profits, and enhance the quality and quantity of disclosure based on the TCFD recommendations, which are an internationally well-established disclosure framework, or an equivalent framework.

(1) UBE Group's initiatives on sustainability

The UBE Group Basic Policies for Sustainability and framework for sustainability initiatives are reported on the Company's website and in its Integrated Report. The Company also discloses and provides information on its efforts to address various sustainability issues, including materiality and stakeholder engagement related to its business strategies.

https://www.ube.com/ube/en/sustainability/

https://www.ube.com/ube/en/ir/ir_library/integrated_report/

(2) Investments in human capital and intellectual property

(Human capital)

UBE considers human resources to be the most important capital in supporting the sustainable growth of the UBE Group. One of the UBE Management Principles is "People," and the UBE Group Human Resources Management Guidelines have been established to create an environment that enables employees to engage in rewarding work. Information on these efforts is disclosed and provided on the Company's website and in its Integrated Report.

https://www.ube.com/ube/en/sustainability/

https://www.ube.com/ube/en/ir/ir_library/integrated_report/

(Intellectual property)

UBE formulates intellectual property strategy in line with management strategy and aims to maximize business value and intellectual property value. Information on these efforts is disclosed and provided in its Integrated Report.

https://www.ube.com/ube/en/ir/ir_library/integrated_report/

(3) Disclosure regarding impact of climate change-related risks and earning opportunities on UBE's business activities and earnings, etc.

UBE endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in April 2020 and has disclosed an overview of information related to the TCFD recommendations under the four thematic areas of Governance, Strategy, Risk Management, and Metrics and Targets on the Company's website and in its Integrated Report.

https://www.ube.com/ube/en/sustainability/

https://www.ube.com/ube/en/ir/ir_library/integrated_report/

【Principle 3-2 External Auditors】

External auditors and companies should recognize the responsibility that external auditors owe toward shareholders and investors, and take appropriate steps to secure the proper execution of audits.

UBE recognizes the responsibility that external accounting auditors have toward shareholders and investors, and makes efforts to ensure a sufficient auditing schedule and audit framework to secure the proper execution of audits. It also responds sincerely to the requests of external accounting auditors, including meetings with management.

【Supplementary Principle 3-2①】

The kansayaku board should, at minimum, ensure the following:

i) Establish standards for the appropriate selection of external auditor candidates and proper evaluation of external auditors; and

ii) Verify whether external auditors possess necessary independence and expertise to fulfill their responsibilities.

The Audit and Supervisory Committee's response to each matter is as follows:

(i) The Audit and Supervisory Committee makes decisions on the dismissal or non-reappointment of external accounting auditors by evaluating the auditor based on the Accounting Auditor Evaluation Standard under the Policy for Deciding on the Dismissal or Non-Reappointment of Accounting Auditors. UBE also evaluates external accounting auditors based on the Accounting Auditor Evaluation Standard when selecting external accounting auditors.

(ii) Each year, the Audit and Supervisory Committee evaluates whether external accounting auditors possess the requisite independence and expertise based on the Accounting Auditor Evaluation Standard and by grasping the situation through interviews with the external accounting auditors on the quality control framework, verification and exchanges of opinions on the audit implementation status report, and interviews with executive sections, such as the accounting division, on the audit implementation by external accounting auditors.

【Supplementary Principle 3-2②】

The board and the kansayaku board should, at minimum, ensure the following:

i) Give adequate time to ensure high quality audits;

ii) Ensure that external auditors have access, such as via interviews, to the senior management including the CEO and the CFO;

iii) Ensure adequate coordination between external auditors and each of the kansayaku (including attendance at the kansayaku board meetings), the internal audit department and outside directors; and

iv) Ensure that the company is constituted in the way that it can adequately respond to any misconduct, inadequacies or concerns identified by the external auditors

The responses of UBE's Board of Directors and Audit and Supervisory Committee to each matter are as follows:

(i) The Audit and Supervisory Committee verifies whether adequate time is given through interviews with external accounting auditors on audit plan details and the implementation of audits as well as meetings with executive sections, such as the accounting division, on the audit situation.

(ii) The Board of Directors and the Audit and Supervisory Committee confirm that meetings between external accounting auditors and the CEO, CFO, executive officers in charge of business segments, and others are conducted and that there is a framework in place to ensure access, such as via interviews, to management if requested by the external accounting auditors.

(iii) The Audit and Supervisory Committee receives reports on the implementation of audits and ensures coordination with external accounting auditors through regular information exchanges. The external accounting auditors and the internal auditing division coordinate as needed. To ensure coordination between the external accounting auditors and outside directors, meetings are held on a regular basis and as needed to exchange information on and discuss topical issues.

(iv) When any misconduct, inadequacies, or concerns are identified by the external accounting auditors, the Audit and Supervisory Committee deliberates the details and conducts the necessary investigation in accordance with the Audit and Supervisory Committee Audit and Supervisory Standards, followed by necessary measures such as reporting to the Board of Directors or providing advice or recommendations to the directors.

The Audit and Supervisory Committee monitors and verifies the development of the framework described above.

Section 4: Responsibilities of the Board

【General Principle 4】

Given its fiduciary responsibility and accountability to shareholders, in order to promote sustainable corporate growth and the increase of corporate value over the mid-to long-term and enhance earnings power and capital efficiency, the board should appropriately fulfill its roles and responsibilities, including:

(1) Setting the broad direction of corporate strategy;

(2) Establishing an environment where appropriate risk-taking by the senior management is supported; and

(3) Carrying out effective oversight of directors and the management (including Shikkoyaku and so-called shikkoyakuin) from an independent and objective standpoint.

Such roles and responsibilities should be equally and appropriately fulfilled regardless of the form of corporate organization – i.e., Company with Kansayaku Board (where a part of these roles and responsibilities are performed by kansayaku and the kansayaku board), Company with Three Committees (Nomination, Audit and Remuneration) or Company with Supervisory Committee.

The Board of Directors decides the basic policies of the company and discusses the broad direction of corporate strategy from a multifaceted and specialized standpoint. It also oversees the formulation of the medium-term management plan and other important management strategies and plans, and establishes an environment where appropriate risk-taking by the senior management is supported, such as by introducing D&O insurance, company compensation agreements, and restricted stock remuneration plans. The Board of Directors also stipulates and makes decisions on important managerial matters (e.g., the company's basic policies, important matters in terms of financial value and risk) that should be decided by the board in the Regulations of the Board of Directors based on laws, regulations, and the Articles of Incorporation. It delegates decisions on other matters to the President and Representative Director, and oversees the adequacy and efficiency of the exercise of duties by each director and executive officer.

The Board of Directors, five of the ten members of which are independent outside directors, is chaired by a director who does not serve as an executive officer, as a rule. It has also established the Nominating Committee and the Remuneration Committee as its advisory bodies, and adopts an executive officer system so as to clearly separate the business oversight functions and execution functions to enable executive officers to focus on business execution.

【Principle 4-1 Roles and Responsibilities of the Board (1)】
The board should view the establishment of corporate goals (business principles, etc.) and the setting of strategic direction as one major aspect of its roles and responsibilities. It should engage in constructive discussion with respect to specific business strategies and business plans, and ensure that major operational decisions are based on the company's strategic direction.

The Board of Directors engages in discussions from a multifaceted and specialized standpoint in view of the Company's corporate philosophy and purpose as it oversees the formulation of the medium-term management plan and other important management strategies and plans as well as supervising business execution based on the medium- to long-term directions of the management strategies and plans and making decisions on important managerial matters (e.g., the company's basic policies, important matters in terms of financial value and risk) that should be decided by the board.

【Supplementary Principle 4-1①】
The board should clearly specify its own decisions as well as both the scope and content of the matters delegated to the management, and disclose a brief summary thereof.

The Board of Directors stipulates and makes decisions on important managerial matters (e.g., the company's basic policies, important matters in terms of financial value and risk) that should be decided by the board in the Regulations of the Board of Directors based on laws, regulations, and the Articles of Incorporation. It delegates decisions on other matters to the President and Representative Director.

【Supplementary Principle 4-1②】

Recognizing that a mid-term business plan (chuuki keiei keikaku) is a commitment to shareholders, the board and the senior management should do their best to achieve the plan. Should the company fail to deliver on its mid-term business plan, the reasons underlying the failure of achievement as well as the company's actions should be fully analyzed, an appropriate explanation should be given to shareholders, and analytic findings should be reflected in a plan for the ensuing years.

UBE has formulated a medium-term management plan, which it is making efforts to achieve. Efforts for the achievement of the medium-term management plan are being made while making revisions to the plans and measures as appropriate due to changes in the business environment and reviews of business strategies. Each year, UBE provides a report on the progress at its financial results briefing sessions, etc.

【Supplementary Principle 4-1③】

Based on the company objectives (business principles, etc.) and specific business strategies, the board should proactively engage in the establishment and implementation of a succession plan for the CEO and other top executives and appropriately oversee the systematic development of succession candidates, deploying sufficient time and resources.

The Nominating Committee, which is an advisory body to the Board of Directors, holds deliberations regularly on succession planning for the President and Representative Director and other officers, and the Board of Directors provides supervision based on these deliberations. The Nominating Committee ensures independent and objective advisory functions, since outside directors account for a majority of the members and an outside director serves as the chair.

【Principle 4-2 Roles and Responsibilities of the Board (2)】

The board should view the establishment of an environment that supports appropriate risk-taking by the senior management as a major aspect of its roles and responsibilities. It should welcome proposals from the management based on healthy entrepreneurship, fully examine such proposals from an independent and objective standpoint with the aim of securing accountability, and support timely and decisive decision-making by the senior management when approved plans are implemented.

Also, the remuneration of the management should include incentives such that it reflects mid- to long-term business results and potential risks, as well as promoteshealthy entrepreneurship.

The Board of Directors stipulates and makes decisions on important managerial matters (e.g., the company's basic policies, important matters in terms of financial value and risk) that should be decided by the board in the Regulations of the Board of Directors based on laws, regulations, and the Articles of Incorporation. It delegates decisions on other matters to the President and Representative Director.

To secure accountability, the Board of Directors makes decisions on important managerial matters that were fully deliberated at the Strategic Management Meeting in terms of risks and returns by fully discussing the matters from a multifaceted standpoint among the directors, including independent outside directors who are in an independent and objective position. It also supports and oversees timely and decisive decision-making by senior management.

The remuneration of the directors (excluding those who are Audit and Supervisory Committee members and outside directors) and executive officers consists of a base remuneration (fixed remuneration for each position), annual incentives (company-performance-linked remuneration and remuneration based on evaluation of achievement of annual individual performance targets), and long-term incentives (remuneration based on evaluation of achievement of medium- to long-term individual performance targets and restricted stock remuneration). Restricted stock remuneration is granted to members of management according to their position and is aimed at enhancing incentives toward achieving medium- to long-term targets and increasing corporate value. These are meant to motivate management to achieve greater performance over the medium- to long-term.

The remuneration of directors who are Audit and Supervisory Committee members and outside directors consists solely of a fixed, base remuneration.

【Supplementary Principle 4-2①】

The board should design management remuneration systems such that they operate as a healthy incentive to generate sustainable growth, and determine actual remuneration amounts appropriately through objective and transparent procedures. The proportion of management remuneration linked to mid- to longterm results and the balance of cash and stock should be set appropriately.

The Remuneration Committee, which is an advisory body to the Board of Directors, holds deliberations on remuneration for the directors (excluding directors who are Audit and Supervisory Committee members) and executive officers, which is then determined by the Board of Directors. The Remuneration Committee ensures independent, objective, and effective advisory functions, since outside directors account for a majority of the members and an outside director serves as the chair. Remuneration for directors who are Audit and Supervisory Committee members is determined by the Audit and Supervisory Committee. The details of remuneration are as described in “Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods” in “Director Remuneration” under “II-1. Organizational Composition and Operation” in this document.

【Supplementary Principle 4-2②】

The board should develop a basic policy for the company's sustainability initiatives from the perspective of increasing corporate value over the mid- to long- term.

In addition, in light of the importance of investments in human capital and intellectual properties, the board should effectively supervise the allocation of management resources, including such investments, and the implementation of business portfolio strategies to ensure that they contribute to the sustainable growth of the company.

The Board of Directors confirms the content of the UBE Group Basic Policies for Sustainability when they are formulated, which clearly state that UBE will promote the sustainability of the Group and contribute to the realization of a sustainable society through its business activities, and supervises the status of its initiatives.
https://www.ube.com/ube/en/sustainability/

In addition, UBE formulates business strategies and plans, which include the allocation of management resources and business portfolio strategies, following discussion at the Board of Directors. The Board of Directors supervises the progress of these plans through quarterly business execution reports, which include business results, by the executive directors, and business execution reports by the Executive Officers.

【Principle 4-3 Roles and Responsibilities of the Board (3)】

The board should view the effective oversight of the management and directors from an independent and objective standpoint as a major aspect of its roles and responsibilities. It should appropriately evaluate company performance and reflect the evaluation in its assessment of the senior management.

In addition, the board should engage in oversight activities in order to ensure timely and accurate information disclosure, and should establish appropriate internal control and risk management systems.

Also, the board should appropriately deal with any conflict of interests that may arise between the company and its related parties, including the management and controlling shareholders.

To ensure that the Board of Directors exercises effective oversight, UBE has established the Nominating Committee and Remuneration Committee as optional advisory bodies. The Board of Directors evaluates the performance of officers and determines their remuneration following proposals or reports from the Committees. Consisting of independent outside directors in the majority and chaired by such directors, both Committees are structured so that appropriate involvement and advice are obtained from independent outside directors.

To ensure timely and accurate information disclosure, UBE has established an internal framework for timely disclosure of company information, while the Board of Directors has decided on the Basic Policy for Establishing Internal Control and established an appropriate oversight framework that involves, among others, receiving reports on risk management.

Furthermore, the Board of Directors appropriately deals with conflicts of interest between the directors and the Company in accordance with the Regulations of the Board of Directors through measures such as approving business transactions between directors and the Company and competing business transactions after receiving explanations on the outline of the transactions.

【Supplementary Principle 4-3①】
The board should ensure that the appointment and dismissal of the senior management are based on highly transparent and fair procedures via an appropriate evaluation of the company's business results.

The Nominating Committee, which is an advisory body to the Board of Directors, holds deliberations on the appointment or dismissal of the President and Representative Director, which is determined by the Board of Directors. The Nominating Committee ensures independent, objective, and effective advisory functions, since outside directors account for a majority of the members and an outside director serves as the chair.

【Supplementary Principle 4-3②】
Because the appointment/dismissal of the CEO is the most important strategic decision for a company, the board should appoint a qualified CEO through objective, timely, and transparent procedures, deploying sufficient time and resources.

The Nominating Committee, which is an advisory body to the Board of Directors, holds deliberations on the appointment or dismissal of the President and Representative Director, which is determined by the Board of Directors. The Nominating Committee ensures independent, objective, and effective advisory functions, since outside directors account for a majority of the members and an outside director serves as the chair.

【Supplementary Principle 4-3③】
The board should establish objective, timely, and transparent procedures such that a CEO is dismissed when it is determined, via an appropriate evaluation of the company's business results, that the CEO is not adequately fulfilling the CEO's responsibilities.

The Nominating Committee, which is an advisory body to the Board of Directors, holds deliberations on the appointment or dismissal of the President and Representative Director, which is determined by the Board of Directors. The Nominating Committee ensures independent, objective, and effective advisory functions, since outside directors account for a majority of the members and an outside director serves as the chair.

【Supplementary Principle 4-3④】
The establishment of effective internal control and proactive enterprise risk management systems has the potential to support sound risk-taking. The board should appropriately establish such systems on an enterprise basis and oversee the operational status, besides utilizing the internal audit department.

UBE has assigned a Chief Compliance Officer (CCO) and a Chief Risk Officer (CRO) and works to carry out Group-wide internal control and risk management via its internal control departments, including the Legal & General Affairs Department, the Risk Management Department, the Environment & Safety Department, and the Quality Assurance Department, in addition to working committees on compliance promotion, information security, security export control, and crisis management and Risk Management Committee.

The Board of Directors receives regular reports from the aforementioned internal control departments and working committees and provides supervision, which includes taking appropriate measures when necessary.
In addition, the Auditing Department audits the status of compliance and response to risk, evaluates internal control of financial reporting, and reports to the Audit and Supervisory Committee.

UBE has published a diagram that outlines the internal control system on its website.
https://www.ube.com/ube/en/sustainability/

【Principle 4-4 Roles and Responsibilities of Kansayaku and the Kansayaku Board】
Kansayaku and the kansayaku board should bear in mind their fiduciary responsibilities to shareholders and make decisions from an independent and objective standpoint when executing their roles and responsibilities including the audit of the performance of directors' duties, appointment and dismissal of kansayaku and external auditors, and the determination of auditor remuneration.
Although so-called "defensive functions," such as business and accounting audits, are part of the roles and responsibilities expected of kansayaku and the kansayaku board, in order to fully perform their duties, it would not be appropriate for kansayaku and the kansayaku board to interpret the scope of their function too narrowly, and they should positively and proactively exercise their rights and express their views at board meetings and to the management.

Directors who are Audit and Supervisory Committee members and the Audit and Supervisory

Committee perform their duties from an independent and objective standpoint based on their fiduciary responsibility. Directors who are Audit and Supervisory Committee members make efforts to deepen their recognition of managerial issues from the perspective of business management in general and to grasp developments in business management and the business environment, as well as express their views frankly at board meetings on issues that must be addressed by the company and important auditing issues.

【Supplementary Principle 4-4①】

Given that not less than half of the kansayaku board must be composed of outside kansayaku and that at least one full-time kansayaku must be appointed in accordance with the Companies Act, the kansayaku board should, from the perspective of fully executing its roles and responsibilities, increase its effectiveness through an organizational combination of the independence of the former and the information gathering power of the latter. In addition, kansayaku or the kansayaku board should secure cooperation with outside directors so that such directors can strengthen their capacity to collect information without having their independence jeopardized.

Directors who are full-time Audit and Supervisory Committee members make efforts to develop an audit environment, gather information of the entire Group through audit activities, and share the obtained information with outside directors who are Audit and Supervisory Committee members at Audit and Supervisory Committee meetings. Outside directors who are Audit and Supervisory Committee members conduct audit and supervisory activities based on their independence and specialized knowledge and experience. Directors who are Audit and Supervisory Committee members play a role in contributing to information gathering for outside directors by expressing their views frankly on issues that should be addressed by the company and important auditing issues at board meetings.

【Principle 4-5 Fiduciary Responsibilities of Directors and Kansayaku】

With due attention to their fiduciary responsibilities to shareholders, the directors, kansayaku and the management of companies should secure the appropriate cooperation with stakeholders and act in the interest of the company and the common interests of its shareholders.

In order to achieve sustainable growth of the entire Group and an increase in medium- to long-term corporate value, which they view as their fiduciary responsibility, directors and the management continuously engage in appropriate business activities and act to fulfill their responsibilities to all stakeholders, including shareholders, customers, business partners, employees, and local communities, by establishing effective corporate governance.

【Principle 4-6 Business Execution and Oversight of the Management】

In order to ensure effective, independent and objective oversight of the management by the board, companies should consider utilizing directors who are neither involved in business execution nor have close ties with the management.

UBE ensures an effective, independent, and objective oversight framework by electing independent outside directors for five of its ten director posts, having a director (internal) who is not an executive officer chairing the Board of Directors, and having independent outside directors accounting for more than half of the members of the Nominating Committee and Remuneration Committee, advisory bodies of the board, as well as chairing the Committees.

【Principle 4-7 Roles and Responsibilities of Independent Directors】

Companies should make effective use of independent directors 9, taking into consideration the expectations listed below with respect to their roles and responsibilities:

i) Provision of advice on business policies and business improvement based on their knowledge and experience with the aim to promote sustainable corporate growth and increase corporate value over the mid- to long-term;

ii) Monitoring of the management through important decision-making at the board including the appointment and dismissal of the senior management;

iii) Monitoring of conflicts of interest between the company and the management or controlling shareholders; and

iv) Appropriately representing the views of minority shareholders and other stakeholders in the boardroom from a standpoint independent of the management and controlling shareholders.

UBE's independent outside directors leverage their extensive experience and expertise in providing advice for UBE's sustainable growth and increase in medium- to long-term corporate value, and play an important role in securing efficiency, transparency, and objectivity of business management by adding the perspective of an independent third party to UBE's decision-making and oversight of business management at UBE.

(i) Independent outside directors possess expertise and extensive experience in industrial policy, corporate management, finance, accounting, and legal affairs, based on which they actively provide advice and opinions at board meetings, etc.

(ii) Independent outside directors oversee business management through important decision-making of the Board of Directors, including their roles as members of the Nominating Committee and Remuneration Committee, which are advisory bodies of the Board of Directors.

(iii) Independent outside directors appropriately oversee conflicts of interest between the management and the Company through deliberations at board meetings.

(iv) Independent outside directors who meet the Company's criteria for determining independence and pose no risk of conflict of interest with general shareholders provide opinions and recommendations from an independent standpoint and the perspective of minority shareholders and other stakeholders.

【Principle 4-8 Effective Use of Independent Directors】

Independent directors should fulfill their roles and responsibilities with the aim of contributing to sustainable growth of companies and increasing corporate value over the mid- to long-term. Companies listed on the Prime Market should therefore appoint at least one-third of their directors as independent directors (two directors if listed on other markets) that sufficiently have such qualities.

Irrespective of the above, if a company listed on the Prime Market believes it needs to appoint the majority of directors (at least one-third of directors if listed on other markets) as independent directors based on a broad consideration of factors such as the industry, company size, business characteristics, organizational structure and circumstances surrounding the company, it should appoint a sufficient number of independent directors.

UBE appoints five of its ten directors as independent outside directors who fulfill the standards on independence stipulated by financial instruments exchanges and the Company. In addition, based on the status of the Company's business and other factors, it is considered that the sufficient number of independent outside directors have been appointed at present.

【Supplementary Principle 4-8①】

In order to actively contribute to discussions at the board, independent directors should endeavor to exchange information and develop a shared awareness among themselves from an independent and objective standpoint. Regular meetings consisting solely of independent directors (executive sessions) would be one way of achieving this.

To exchange information and develop a shared awareness, meetings consisting solely of independent outside directors are held at UBE as well as meetings attended by independent outside directors and the non-executive internal director (chair of the Board of Directors) to provide internal information and deepen discussions.

【Supplementary Principle 4-8②】
Independent directors should endeavor to establish a framework for communicating with the management and for cooperating with kansayaku or the kansayaku board by, for example, appointing the lead independent director from among themselves.

At UBE, an independent outside director who chairs the Nominating Committee is elected as the lead director. In addition, a secretary responsible for independent outside directors is appointed to communicate and coordinate with the management and the Audit and Supervisory Committee based on the instructions of independent outside directors.

【Supplementary Principle 4-8③】
Companies that have a controlling shareholder should either appoint at least one-third of their directors (the majority of directors if listed on the Prime Market) as independent directors who are independent of the controlling shareholder or establish a special committee composed of independent persons including independent director(s) to deliberate and review material transactions or actions
that conflict with the interests of the controlling shareholder and minority shareholders.

UBE did not have a controlling shareholder as of the date of submission of this report.

【Principle 4-9 Independence Standards and Qualification for Independent】
Boards should establish and disclose independence standards aimed at securing effective independence of independent directors, taking into consideration the independence criteria set by securities exchanges. The board should endeavor to select independent director candidates who are expected to contribute to frank, active and constructive discussions at board meetings.

In addition to the standards of independence stipulated by financial instrument exchanges, UBE's criteria for independence include judgements based on the confirmation of current circumstances in the event that there has been any conflict with standards of independence in the past.

Moreover, in addition to independence, the Board of Directors endeavors to select persons who can be expected to contribute to constructive discussions at the Board of Directors in a candid and active manner as candidates for independent outside directors.

【Principle 4-10 Use of Optional Approach】

In adopting the most appropriate organizational structure (as stipulated by the Companies Act) that is suitable for a company's specific characteristics, companies should employ optional approaches, as necessary, to further enhance governance functions.

UBE adopts the company with an Audit and Supervisory Committee structure, but has established the Nominating Committee and Remuneration Committee as optional advisory bodies to the Board of Directors. Independent outside directors account for more than half of the members of both Committees and chair the Committees to enhance governance functions.

【Supplementary Principle 4-10①】

If the organizational structure of a company is either Company with Kansayaku Board or Company with Supervisory Committee and independent directors do not compose a majority of the board, in order to strengthen the independence, objectivity and accountability of board functions on the matters of nomination (including succession plan) and remuneration of the senior management and directors, the company should seek appropriate involvement and advice from the committees, including from the perspective of gender and other diversity and skills, in the examination of such important matters as nominations and remuneration by establishing an independent nomination committee and remuneration committee under the board, to which such committees make significant contributions.

In particular, companies listed on the Prime Market should basically have the majority of the members of each committee be independent directors, and should disclose the mandates and roles of the committees, as well as the policy regarding the independence of the composition.

UBE has adopted the "Company with Audit and Supervisory Committee" structure, and five of the ten directors are independent outside directors, which is not a majority. However, by establishing the Nominating Committee and the Remuneration Committee as discretionary advisory committees, UBE has a system for the Board of Directors to obtain appropriate involvement and advice from these committees.

UBE has also stipulated in its regulations that the majority of the members of both committees shall be independent outside directors and that the committee chair shall be an independent outside director in principle. At present, the committees are composed of three members, two independent outside directors and a non-executive inside director, and are chaired by independent outside directors. The Nominating Committee deliberates on the appointment and

dismissal of directors and executive officers as well as succession planning, and the Remuneration Committee deliberates on matters related to remuneration for directors (excluding directors who are Audit and Supervisory Committee members), thereby providing independent, objective and effective advice to the Board of Directors.

【Principle 4-11 Preconditions for Board and Kansayaku Board Effectiveness】
The board should be well balanced in knowledge, experience and skills in order to fulfill its roles and responsibilities, and it should be constituted in a manner to achieve both diversity, including gender, international experience, work experience and age, and appropriate size. In addition, persons with appropriate experience and skills as well as necessary knowledge on finance, accounting, and the law should be appointed as kansayaku. In particular, at least one person who has sufficient expertise on finance and accounting should be appointed as kansayaku.
The board should endeavor to improve its function by analyzing and evaluating effectiveness of the board as a whole.

In order to achieve appropriate decision-making and management supervision for business activities, UBE appoints and nominates persons with a wealth of business and operational experience as directors (excluding directors who are Audit and Supervisory Committee members and outside directors), and persons with an independent and objective viewpoint and a high level of insight who are able to actively express their opinions and make recommendations as outside directors. In addition, the Board of Directors is composed of directors with extensive experience and a high level of expertise in the areas of corporate management and management strategy, finance and accounting, sales and marketing, manufacturing, technology, research and development, and IT/DX, compliance and risk management, sustainability (environment and society), human resource management, and internationality, which ensures diversity including gender. UBE appoints persons with the appropriate experience and skills as well as the required knowledge of finance, accounting and law as directors who are Audit and Supervisory
Committee members.

The number of directors is specified as 10 or less (excluding directors who are Audit and Supervisory Committee members), and the number of directors who are Audit and Supervisory Committee members is specified as five or less in the Articles of Incorporation. The Board of Directors is currently composed of six directors (excluding directors who are Audit and Supervisory Committee members), two of whom is an outside director, and four directors who are Audit and Supervisory Committee members, three of whom are outside directors. UBE has determined that the effectiveness of the Board of Directors and the Audit

and Supervisory Committee can be ensured through these measures.

UBE convenes an annual Evaluation Meeting for Effectiveness of the Board of Directors composed of all directors to hold deliberations on evaluating the effectiveness of the Board of Directors, based on directors' self-assessment of the Board of Directors (to be obtained through questionnaires, etc.). The Board of Directors receives a report on these deliberations and conducts an evaluation of its effectiveness. For fiscal 2023, UBE received evaluation by a third-party organization for the first time. As a result, at the Board of Directors held in April 2024, the Board of Directors for fiscal 2023 was evaluated as being appropriately structured and operated, with active discussions and appropriate deliberations and oversight being conducted, and as such, it was determined that the Board of Directors was effective in focusing on the oversight function of management.

【Supplementary Principle 4-11①】

The board should identify the skills, etc. that it should have in light of its managing strategies, and have a view on the appropriate balance between knowledge, experience and skills of the board as a whole, and also on diversity and appropriate board size. Consistent with its view, the board should establish policies and procedures for nominating directors and disclose them along with the combination of skills, etc. that each director possesses in an appropriate form according to the business environment and business characteristics, etc., such as what is known as a "skills matrix." When doing so, independent director(s) with management experience in other companies should be included.

In order to ensure appropriate decision-making and management supervision for business activities, the Board of Directors appoints and nominates persons with a wealth of business and operational experience as directors (excluding directors who are Audit and Supervisory Committee members), and persons with an independent and objective viewpoint and a high level of insight who are able to actively express their opinions and make recommendations as outside directors. In addition, UBE has published a skill matrix listing the knowledge, experience, and skills of each director in eight areas expected of directors in the notice of convocation for the ordinary general meeting of shareholders and the Integrated Report.
https://www.ube.com/ube/en/ir/shareinfo/meeting/

The procedure for the appointment of candidates for director (excluding directors who are Audit and Supervisory Committee members) is through discussion and approval by the ordinary general meeting of shareholders after a resolution of the Board of Directors following deliberation by the Nominating Committee.

The procedure for the appointment of candidates for director who are Audit and Supervisory Committee members is through discussion and approval by the ordinary general meeting of

shareholders after a resolution of the Board of Directors based on the agreement of the Audit and Supervisory Committee following deliberation by the Nominating Committee.

At present, the Board of Directors is composed of ten directors, five of whom are independent outside directors. The independent outside directors include persons with management experience at other companies.

【Supplementary Principle 4-11②】
Outside directors, outside kansayaku, and other directors and kansayaku should devote sufficient time and effort required to appropriately fulfill their respective roles and responsibilities. Therefore, where directors and kansayaku also serve as directors, kansayaku or the management at other companies, such positions should be limited to a reasonable number and disclosed each year.

UBE reports on the situation of important concurrent service for directors in the notice of convocation for the ordinary general meeting of shareholders.
https://www.ube.com/ube/en/ir/shareinfo/meeting/

Moreover, when an outside director of UBE is to serve concurrently as an officer at another listed company, UBE confirms in advance that there will be no impediment to the Company's operations.

【Supplementary Principle 4-11③】
Each year the board should analyze and evaluate its effectiveness as a whole, taking into consideration the relevant matters, including the self-evaluations of each director. A summary of the results should be disclosed.

UBE convenes an annual Evaluation Meeting for Effectiveness of the Board of Directors composed of all directors. The meeting holds deliberations based on directors' self-assessment of the Board of Directors (obtained through a questionnaire, etc.), and the Board of Directors conducts an evaluation of its effectiveness based on these discussions.

For fiscal 2023, UBE received evaluation by a third-party organization for the first time. As a result, at the Board of Directors meeting held in April 2024, the Board of Directors for fiscal 2023 was evaluated as being appropriately structured and operated, with active discussions and appropriate deliberations and oversight being conducted, and as such, it was determined that the Board of Directors was effective in focusing on the oversight function of management.

The challenges and main initiatives for fiscal 2023 are as follows.

<Challenges for fiscal 2023>

① Strengthening monitoring of the status of execution of key management issues toward the realization of mid- to long-term management plans and promoting speedy initiatives.

② Continuously improving the internal control and risk management systems for the entire group and strengthening supervision of the effectiveness of these measures as a chemical business company, as well as strengthening supervision of the operation of appropriate governance systems for the machinery business and cement-related businesses as a holding company.

<Main initiatives for fiscal 2023>

① With regard to key matters for deliberation and reporting, the company made discussions at Board of Directors more efficient and effective, as well as conducted appropriate deliberations, by demanding more detailed explanations in advance from the executing side and thorough preparation of summary materials that clearly outline the matters in addition to the agenda documents.

② UBE provided appropriate supervision by receiving reports on internal controls and risk management, including compliance and information security, as well as the current status and policies of the machinery business and cement-related business, which are overseen through the Holdings Meeting.

In the evaluation of the effectiveness of the Board of Directors for fiscal 2023, it was determined that the Board of Directors is sufficiently fulfilling its oversight function for Challenge (2), but it was determined that the Board of Directors needs to have greater diversity and that it is necessary to further strengthen monitoring and accelerate execution for Challenge (1). The key challenges for fiscal 2024 are “enhancing discussion of key business strategies” and “clarifying human resources strategies to achieve growth,” based on the continuation of specific initiatives for Challenge (1) and the main issues extracted from the results of a questionnaire evaluation conducted by a third-party organization. The company will strive to further improve the effectiveness of the Board of Directors by incorporating diverse knowledge and experience and invigorating discussions.

【Principle 4-12 Active Board Deliberations】
The board should endeavor to foster a climate where free, open and constructive discussions and exchanges of views take place, including the raising of concerns by outside directors.

In the evaluation of the effectiveness of the Board of Directors, the board verifies whether the structure and operation of the board is adequate and whether active discussions and appropriate deliberations are carried out.

Moreover, every autumn, UBE holds an Executive Management Workshop with the participation of directors and executive officers to discuss and develop a common awareness on topical management themes.

【Supplementary Principle 4-12①】
The board should ensure the following in relation to the operation of board meetings and should attempt to make deliberations active:
i) Materials for board meetings are distributed sufficiently in advance of the meeting date;
ii) In addition to board materials and as necessary, sufficient information is provided to directors by the company (where appropriate, the information should be organized and/or analyzed to promote easy understanding);
iii) The schedule of board meetings for the current year and anticipated agenda items are determined in advance;
iv) The number of agenda items and the frequency of board meetings are set appropriately; and
v) Sufficient time for deliberations.

UBE implements the following initiatives to vitalize deliberations of the Board of Directors:

(i) Materials for board meetings, as well as convening notices, are distributed sufficiently in advance of the meeting date.

(ii) Prior briefings are provided to independent outside directors, and any instructions or questions at the prior briefings are addressed at the briefing of board meetings. Additionally, UBE continues to make sure to demand summary materials that clearly outline matters.

(iii) The annual schedule of board meetings and matters for regular deliberation are shared with directors promptly after the approval of the re-election of officers at the annual general

shareholder meeting.

(iv) (v) UBE strives to ensure sufficient time for deliberations, including prior briefings, by holding board meetings almost every month and adjusting the number of matters for deliberation at each meeting to an appropriate range and providing interim reports on important matters as appropriate.

【Principle 4-13 Information Gathering and Support Structure】
In order to fulfill their roles and responsibilities, directors and kansayaku should proactively collect information, and as necessary, request the company to provide them with additional information.
Also, companies should establish a support structure for directors and kansayaku, including providing sufficient staff.
The board and the kansayaku board should verify whether information requested by directors and kansayaku is provided smoothly.

Directors request the relevant divisions to provide or report on information necessary to fulfill their roles and responsibilities. In response, the divisions provide information or materials as appropriate and report as needed.

UBE allocates staff to assist directors.

Verification of whether information required by directors is provided smoothly is conducted by the Board of Directors through deliberations and effectiveness evaluations and by the Audit and Supervisory Committee through audit status reports at the meetings of the Committee.

【Supplementary Principle 4-13①】
Directors, including outside directors, should request the company to provide them with additional information, where deemed necessary from the perspective of contributing to transparent, fair, timely and decisive decision-making. In addition, kansayaku, including outside kansayaku, should collect information appropriately, including the use of their statutory investigation power.

Directors (excluding those who are Audit and Supervisory Committee members) request the company to provide them with additional information, where deemed necessary from the perspective of contributing to transparent, fair, timely, and decisive decision-making. The divisions that are requested to provide information provide information and materials as

appropriate based on the request.

Directors who are Audit and Supervisory Committee members gather the necessary information for conducting audits and, in the event of a deficiency, the Audit and Supervisory Committee members selected by the Audit and Supervisory Committee exercise their authority to investigate and request information from the relevant divisions, who shall provide information and materials based on the request.

【Supplementary Principle 4-13②】
Directors and kansayaku should consider consulting with external specialists at company expense, where they deem it necessary.

If a director requests the advice of an external specialist where he/she deems it necessary for his/her duties, UBE bears the expense in accordance with internal regulations.

【Supplementary Principle 4-13③】
Companies should ensure coordination between the internal audit department, directors and kansayaku by establishing a system in which the internal audit department appropriately reports directly to the board and the kansayaku board in order for them to fulfill their functions. In addition, companies should take measures to adequately provide necessary information to outside directors and outside kansayaku. One example would be the appointment of an individual who is responsible for communicating and handling requests within the company such that the requests for information about the company by outside directors and outside kansayaku are appropriately processed.

The Auditing Department reports on its activities and results under the direct supervision of the President and Representative Director. At the same time, the Auditing Department works in close cooperation with the Audit and Supervisory Committee by engaging in advance consultation on audit plans and regularly reporting audit results as well as conducting audits reflecting instructions and requests from the Audit and Supervisory Committee. The Auditing Department also reports regularly to the Board of Directors.

In addition, UBE has appointed staff in the Secretary Group, Legal & General Affairs Department and the Audit and Supervisory Committee's Office to support the outside directors by working to confirm the content of their requests and provide information smoothly.

【Principle 4-14 Director and Kansayaku Training】

New and incumbent directors and kansayaku should deepen their understanding of their roles and responsibilities as a critical governance body at a company, and should endeavor to acquire and update necessary knowledge and skills. Accordingly, companies should provide and arrange training opportunities suitable to each director and kansayaku along with financial support for associated expenses. The board should verify whether such opportunities and support are appropriately provided.

UBE has a basic policy of providing opportunities for directors to learn the knowledge necessary for the execution of their duties.

UBE provides opportunities for directors (excluding outside directors) to acquire new information by inviting outside instructors and sending the directors (excluding outside directors) to seminars held by external organizations when necessary. The Company also provides outside directors with explanations about the Company, management circumstances (business activities, business environment, industry trends, etc.) and the status of corporate governance, as well as opportunities to visit the main business sites and other activities at the time when they are appointed and as necessary after they are appointed.

Moreover, every autumn the Company holds an Executive Management Workshop with the participation of directors and executive officers to facilitate discussion and development of a common awareness on topical management themes.

【Supplementary Principle 4-14①】

Directors and kansayaku, including outside directors and outside kansayaku, should be given the opportunity when assuming their position to acquire necessary knowledge on the company's business, finances, organization and other matters, and fully understand the roles and responsibilities, including legal liabilities, expected of them. Incumbent directors should also be given a continuing opportunity to renew and update such knowledge as necessary.

UBE also provides outside directors with explanations about the Company, management circumstances (business activities, business environment, industry trends, etc.) and the status of corporate governance, as well as opportunities to visit the main business sites and other activities at the time when they are appointed and as necessary after they are appointed.

【Supplementary Principle 4-14②】
Companies should disclose their training policy for directors and kansayaku.

UBE has a basic policy of providing opportunities for directors to learn the knowledge necessary for the execution of their duties.

UBE provides opportunities for directors (excluding outside directors) to acquire new information by inviting outside instructors and sending the directors (excluding outside directors) to seminars held by external organizations when necessary. The Company also provides outside directors with explanations about the Company, management circumstances (business activities, business environment, industry trends, etc.) and the status of corporate governance, as well as opportunities to visit the main business sites and other activities at the time when they are appointed and as necessary after they are appointed.

Moreover, every autumn the Company holds an Executive Management Workshop with the participation of outside directors, internal directors and executive officers to facilitate discussion and development of a common awareness on topical management themes.

Section 5: Dialogue with Shareholders

【General Principle 5】

In order to contribute to sustainable growth and the increase of corporate value over the mid- to long-term, companies should engage in constructive dialogue with shareholders even outside the general shareholder meeting.

During such dialogue, senior management and directors, including outside directors, should listen to the views of shareholders and pay due attention to their interests and concerns, clearly explain business policies to shareholders in an understandable manner so as to gain their support, and work for developing a balanced understanding of the positions of shareholders and other stakeholders and acting accordingly.

Recognizing the importance of dialogue with shareholders, UBE holds financial results briefing sessions, medium-term management plan briefing sessions, and small meetings for institutional investors, as well as briefing sessions for retail investors appropriately, in addition to general shareholder meetings, and strives to provide easy-to-understand explanations. It fully understands and considers the views of various stakeholders obtained through the dialogue, and takes appropriate measures while providing feedback within the company as needed.

【Principle 5-1 Policy for Constructive Dialogue with Shareholders】

Companies should, positively and to the extent reasonable, respond to the requests from shareholders to engage in dialogue (management meetings) so as to support sustainable growth and increase corporate value over the mid- to long-term. The board should establish, approve and disclose policies concerning the measures and organizational structures aimed at promoting constructive dialogue with shareholders.

In order to achieve sustainable growth and enhancement of corporate value over the medium and long term, UBE believes that it is important to provide information to shareholders in a timely and appropriate manner and to engage in constructive dialogue. In order to achieve this, the Company actively engages in initiatives and establishes systems, such as having the President and Representative Director and other directors including the outside directors attend forums for dialogue with investors and provide direct explanations, as well as engaging in other varieties of communication. The specific details are as below.

(1) The officer in charge of the Corporate Communications Department carries out overall

supervision of dialogue with shareholders.

(2) In order to assist with dialogue, the Corporate Communications Department considers measures in collaboration with each related department when necessary and makes recommendations to the officer in charge of the Corporate Communications Department.

(3) UBE holds financial results briefing sessions, medium-term management plan briefing sessions, small meetings and individual interviews for institutional investors, and also provides business briefing sessions and plant tours when necessary to enhance understanding of the Company. Moreover, the Company holds separate briefing sessions for individual investors appropriately by the officer in charge of the Corporate Communications Department and others.

(4) Opinions that have been identified in the dialogue with shareholders and investors are passed on to the management team, the Board of Directors and the relevant departments when necessary.

(5) In order to exhaustively manage insider information, Regulations on the Prevention of Insider Trading and the Timely Disclosure of Internal Information are established, and executives and employees involved in dialogue with shareholders and investors are made to comply with the regulations.
The status of dialogue with shareholders is described in UBE's Integrated Report.
https://www.ube.com/ube/en/ir/ir_library/integrated_report/

【Supplementary Principle 5-1①】
Taking the requests and interests of shareholders into consideration, to the extent reasonable, the senior management, directors, including outside directors, and kansayaku, should have a basic position to engage in dialogue (management meetings) with shareholders.

When shareholders request an actual dialogue, UBE confirms the shareholders' wishes and concerns, etc., and holds a meeting between the directors, including outside directors, and senior management, etc., and the shareholders as appropriate.

【Supplementary Principle 5-1②】

At minimum, policies for promoting constructive dialogue with shareholders should include the following:

i) Appointing a member of the management or a director who is responsible for overseeing and ensuring that constructive dialogue takes place, including the matters stated in items ii) to v) below;

ii) Measures to ensure positive cooperation between internal departments such as investor relations, corporate planning, general affairs, corporate finance, accounting and legal affairs with the aim of supporting dialogue;

iii) Measures to promote opportunities for dialogue aside from individual meetings (e.g., general investor meetings and other IR activities);

iv) Measures to appropriately and effectively relay shareholder views and concerns learned through dialogue to the senior management and the board; and

v) Measures to control insider information when engaging in dialogue.

To promote constructive dialogue with shareholders, UBE implements initiatives and establishes systems as shown below:

(1) The officer in charge of the Corporate Communications Department carries out overall supervision of dialogue with shareholders.

(2) In order to assist with dialogue, the Corporate Communications Department considers measures in collaboration with each related department when necessary and makes recommendations to the officer in charge of the Corporate Communications Department.

(3) UBE holds financial results briefing sessions, medium-term management plan briefing sessions, small meetings and individual interviews for institutional investors, and also provides business briefing sessions and plant tours when necessary to enhance understanding of the Company. Moreover, the Company holds separate briefing sessions for individual investors appropriately by the officer in charge of the Corporate Communications Department and others.

(4) Opinions that have been identified in the dialogue with shareholders and investors are passed on to the management team, the Board of Directors and the relevant departments when necessary.

(5) In order to exhaustively manage insider information, Regulations on the Prevention of Insider Trading and the Timely Disclosure of Internal Information are established, and executives and employees involved in dialogue with shareholders and investors are made to comply with the regulations.

【Supplementary Principle 5-1③】
Companies should endeavor to identify their shareholder ownership structure as necessary, and it is desirable for shareholders to cooperate as much as possible in this process.

UBE conducts surveys on substantial shareholders twice a year both within and outside Japan to identify its shareholder structure and changes thereof. The results of the surveys are utilized as materials for IR and SR (Shareholders Relation) activities.

【Principle 5-2 Establishing and Disclosing Business Strategies and Business Plans】
When establishing and disclosing business strategies and business plans, companies should articulate their earnings plans and capital policies, and present targets for profitability and capital efficiency after accurately identifying the company's cost of capital. Also, companies should provide explanations that are clear and logical to shareholders with respect to the allocation of management resources, such as reviewing their business portfolio and investments in fixed assets, R&D, and human capital, and specific measures that will be taken in order to achieve their plans and targets.

UBE formulates a medium-term management plan that clearly outlines the business strategies and earnings plans for the target period. Taking into account its cost of capital, UBE establishes, in the medium-term management plan, basic policies, such as capital policy, and specifies allocation strategies for management resources such as capital investment and R&D investment in accordance with specific business strategies and business portfolios to achieve targeted management indicators. UBE also announces the medium-term management plan externally.
The current medium-term management plan is posted on UBE's website along with explanations crafted to make it easy for shareholders to understand the plan.
https://www.ube.com/ube/en/corporate/management/strategy/

<Responses to realize business management conscious of cost of capital and share price>
UBE's cost and profitability of capital (past three fiscal years)
* PBR=ROE×PER; PBR=ROE/Cost of equity; Reciprocal of PER=Cost of equity
UBE estimates its cost of equity to be about 10% (or about 8% on a CAPM basis) since PER has remained at about 10x. On the other hand, ROE has ranged from -1.9% to 7.5% and has continuously fallen below cost of equity. As a result, PBR has ranged from about 0.5x to 0.7x.

Analysis and evaluation of current situation

The factor behind the fall of ROE below cost of equity is the slump in profit levels of the company as a whole due to a significant deterioration of the revenue of basic businesses, such as nylon polymers and caprolactam, as a result of soaring raw material and fuel prices and the worsening of the supply-demand balance, although specialty businesses, such as polyimide, separation membranes, and ceramics, saw steady profit growth.
UBE recognizes that the market's demand for cost of equity is higher than the CAPM-based figure due to the sensitivity of its business structure to economic fluctuations, the additional business risks due to its high greenhouse gas (GHG) emissions, and the lack of growth expectations.

Initiatives for improvement
In light of such recognition of the current situation, UBE will promote the expansion of its investments in profitable specialty businesses and the restructuring of our basic businesses with a sense of urgency. In addition, UBE will expand the product lineup of the specialty business by utilizing M&A, etc. and further accelerate global growth to achieve capital profitability in excess of cost of equity.
At the same time, UBE will enhance the stability of revenues through business structure reforms and reduce business risks by cutting GHG emissions. UBE will also strive to increase the sales ratio of environmentally friendly products and technologies with potential for profit growth on the back of growing environmental awareness. Recognizing that it is human resources that determine a company's sustainable growth, UBE will also work to foster an innovative culture by systematically developing human resources that will drive the growth of the specialty business, as well as increase diversity by encouraging women to play an active role in the workplace and expanding mid-career recruitment of highly specialized talent.
Through these initiatives, UBE will aims to improve its medium- to long-term expected growth rate and reduce the cost of equity.

【Supplementary Principle 5-2①】
In formulating and announcing business strategies, etc., companies should clearly present the basic policy regarding the business portfolio decided by the board and the status of the review of such portfolio.

Under UBE Vision 2030 Transformation — 1st Stage, the current medium-term management plan, UBE reviewed its business portfolio. In addition to the goals of the long-term vision, UBE clearly stated the positioning of its main businesses and products based on future market growth expectations, the strengths of the UBE Group, profitability, and other factors. UBE also disclosed its basic policies with plans for investment of management resources and strategies for each segment of its business portfolio, including the focused investment of management

resources in the specialty chemicals business. In addition, UBE conducts review of the current medium-term management plan as appropriate in light of changes in the business environment and the progress of business strategy, and discloses the status of the plan in Management Overview Briefings and the Integrated Report.
https://www.ube.com/ube/en/corporate/management/strategy/