Consolidated Financial Report for the First Three Quarters Ended December 31, 2024

February 5, 2025

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(Amounts rounded to the nearest million yen)

1. Consolidated Financial Results for the First Three Quarters Ended December 31, 2024

(From April 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
April – December 2024	359,621	8.0%	9,534	(22.5)%	12,977	(44.0)%	(19,120)	—
April – December 2023	332,947	(9.6)%	12,307	(5.2)%	23,175	—	19,946	—

(Note) Comprehensive Income: From April 1, 2024 to December 31, 2024: (14,838) Million Yen —
From April 1, 2023 to December 31, 2023: 34,511 Million Yen 493.8%

	Net income per share (Yen)	Diluted net income per share (Yen)
April – December 2024	(196.93)	—
April – December 2023	205.51	205.41

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio (%)
December 31, 2024	793,008	403,522	48.8
March 31, 2024	789,034	429,355	51.8

(Reference) Shareholders' equity: As of December 31, 2024: 387,069 Million Yen
As of March 31, 2024: 408,689 Million Yen

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

2. Cash Dividends

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

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

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

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

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

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net income per share(Yen)
April 2024 – March 2025	490,000 4.6%	16,000 (28.7)%	20,000 (45.0)%	(17,500) ―	(180.24)

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

(Notes)

(1) Significant changes in scope of consolidation during the first three quarters ended December 31, 2024: Yes
Exclusion: 2 subsidiaries to be followed:
UBE Steel Co., Ltd.
API Corporation
(Note) For more details, please refer to “5. Consolidated Financial Statements (4) Notes to Quarterly Consolidated Financial Statements (Significant changes in scope of consolidation during the first three quarters ended December 31, 2024)”.

(2) Adoption of special accounting methods for presenting quarterly consolidated financial statements: Yes
(Note) For more details, please refer to “5. Consolidated Financial Statements (4) Notes to Quarterly Consolidated Financial Statements (Application of the specific accounting methods for preparing the quarterly consolidated financial statements)”.

(3) Changes in accounting policies applied, changes in accounting estimates and retrospective restatement
Changes in accounting policies applied due to revisions of accounting standards: Yes
Changes in accounting policies other than the above: No
Changes in accounting estimates: No
Retrospective restatement: No
(Note) For more details, please refer to “5. Consolidated Financial Statements (4) Notes to Consolidated Financial Statements (Notes regarding changes in accounting policies)”.

(4) Number of shares outstanding (common stock)

	December 31, 2024	March 31, 2024
Numbers of shares outstanding at period end	106,200,107	106,200,107
Numbers of shares of treasury stock at period end	9,099,578	9,126,797

	April – December 2024	April – December 2023
Weighted-average number of shares outstanding during period	97,088,815	97,057,787

Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm:
Yes (voluntary)

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

4. Qualitative Information on Operating Results

(1) Overview of Operating Results

During the first three quarters under review, net sales increased, reflecting rising product price of elastomers resulting from the market price rises of a raw material and sales recovery of nylon polymers, caprolactam, etc. in the overseas market in the Polymers & Chemicals Segment.

Operating profit decreased despite solid performance in the Molding Machine Business in the Machinery Segment due to sluggish sales of polyimide and separation membranes in the Specialty Products Segment, and expenses related to the acquisition of the urethane systems business from LANXESS, Germany.

Ordinary profit decreased due to recording in the first half of share of loss of entities accounted for using equity method, which arose from the resolution of dissolution of an equity-method affiliate engaging in the Elastomer Business, despite effects of adjustment of the selling price conducted in the previous fiscal year in the Cement-related Business (an equity-method affiliate).

Profit attributable to owners of parent was a loss due to an extraordinary loss recorded in the third quarter under review as a result of the decision of structural reform of the basic businesses.

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

(Billions of yen)

Item	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
April – December 2024 ①	359.6	9.5	13.0	(19.1)
April – December 2023 ②	332.9	12.3	23.2	19.9
Difference ① - ②	26.7	(2.8)	(10.2)	(39.1)
Percentage change	8.0%	(22.5)%	(44.0)%	—

(2) Overview by Segment

Net sales (Billions of yen)

Segment	April – December 2023 ①	April – December 2024 ②	Difference ② − ①	Percentage Change
Specialty Products	46.8	47.5	0.7	1.5%
Polymers & Chemicals	185.0	213.9	28.9	15.6%
Machinery	65.6	62.4	(3.2)	(4.9)%
Others	54.1	52.1	(2.1)	(3.9)%
Adjustment	(18.6)	(16.2)	2.3	—
Total	332.9	359.6	26.7	8.0%

Operating profit (Billions of yen)

Segment	April – December 2023 ①	April – December 2024 ②	Difference ② − ①	Percentage Change
Specialty Products	8.3	7.1	(1.3)	(15.4)%
Polymers & Chemicals	(0.5)	(0.5)	0.0	—
Machinery	4.4	4.9	0.6	12.8%
Others	2.6	2.5	(0.1)	(2.4)%
Adjustment	(2.5)	(4.4)	(2.0)	—
Total	12.3	9.5	(2.8)	(22.5)%

(Note1) UBE America Inc. and UBE CORPORATION AMERICA INC. have been reclassified from the “Others” segment to the “Polymers & Chemicals” segment from the fiscal year ending March 2025. Net sales and operating profit for the first three quarters ended December 31, 2023 are figures reflecting the segment reclassification.

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

Specialty Products – Increases in net sales and decrease in operating profit

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

The Separation Membrane Business recorded a decrease in net sales due to inventory adjustments and postponement of construction plans by some customers.

The Ceramics Business recorded an increase in net sales thanks to the strong sales of products for bearing applications.

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

The Specialty Products Segment as a whole recorded an increase in net sales thanks to steady performance of the Ceramics and Separators Businesses, etc., but operating profit resulted in a decrease due to weak performance of the Polyimide and Separation Membrane Businesses.

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

■ Performance Polymers & Chemicals Business

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

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

The Caprolactam & Ammonium Sulfate Business recorded an increase in net sales due to increased sales volume in the overseas market.

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

The C1 Chemicals and High-Performance Coating Businesses recorded an increase in net sales due to license income from the C1 Chemicals Business and solid sales in the High-Performance Coating Business.

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

■ The Polymers & Chemicals Segment as a whole recorded increases in both net sales and operating profit despite the impact of the biennial inspection of the ammonia product factory, thanks to the effect of the sales recovery of nylon polymers and caprolactam resulting from the recovery in demand overseas and the license income from the C1 Chemicals Business.

Machinery – Decrease in net sales and increase in operating profit

The Molding Machine Business recorded an increase in net sales due to robust sales in North America of the products for the automobile industry and stable performance of after-sales services.

The Industrial Machines Business recorded a decrease in net sales due mainly to a lack of large projects in product sales.

The Steel Products Business recorded a decrease in net sales due to the transfer of management rights to another company on November 1, 2024.

The Machinery Segment as a whole recorded a decrease in net sales and an increase in operating profit, which was due to steady performance of the Molding Machine Business despite the impact of the transfer of management rights of the Steel Products Business.

Others – Decreases in both net sales and operating profit

The Pharmaceutical Business recorded an increase in net sales due to robust performance of pharmaceuticals developed by UBE, pharmaceuticals manufactured under contract, and royalty income.

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

The Others segment as a whole recorded decreases in both net sales and operating profit as profitable contract manufacturing in the Pharmaceutical Business was terminated.

Cement-Related Business (Equity-Method Affiliate “Mitsubishi UBE Cement Corporation”)

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

(2) Overview of Financial Condition

Total Assets

Total assets increased by 4.0 billion yen compared to the end of the previous fiscal year, to 793.1 billion yen at the end of the period under review. This is mainly due to increases in merchandise and finished goods and investment securities despite decreases in cash and deposits, notes receivable-trade, accounts receivable-trade, and contract assets, and property, plant and equipment.

Liabilities

Liabilities increased by 29.9 billion yen compared to the end of the previous fiscal year, to 389.5 billion yen at the end of the period under review. This is mainly due to an increase in interest-bearing debt despite a decrease in other current liabilities.

Net assets

Net assets decreased by 25.8 billion yen compared to the end of the previous fiscal year, to 403.5 billion yen at the end of the period under review. This is mainly due to a decrease in retained earnings because of loss attributable to owners of parent and cash dividends despite an increase in foreign currency translation adjustment.

As a result, shareholders' equity ratio decreased by 3.0% compared to the end of the previous fiscal year, to 48.8%.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Statements

The consolidated financial results forecast for the fiscal year ending March 31, 2025 has been revised as described in the "UBE Announces Revised Earnings Forecasts" released on January 28, 2025.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	36,359	30,182
Notes and accounts receivable - trade, and contract assets	107,778	102,354
Merchandise and finished goods	58,017	63,222
Work in process	29,503	32,463
Raw materials and supplies	46,428	42,464
Other	17,668	19,117
Allowance for doubtful accounts	(75)	(136)
Total current assets	295,678	289,666
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	51,705	49,724
Machinery, equipment and vehicles, net	92,501	65,911
Land	37,243	37,643
Other, net	40,709	59,336
Total property, plant and equipment	222,158	212,614
Intangible assets		
Goodwill	1,448	2,342
Other	7,121	9,395
Total intangible assets	8,569	11,737
Investments and other assets		
Investment securities	223,923	239,152
Other	38,826	39,818
Allowance for doubtful accounts	(275)	(221)
Total investments and other assets	262,474	278,749
Total non-current assets	493,201	503,100
Deferred assets	155	242
Total assets	789,034	793,008

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	62,068	59,200
Short-term borrowings	63,370	70,736
Commercial papers	—	4,999
Current portion of bonds payable	10,000	10,000
Income taxes payable	4,154	3,223
Provision for bonuses	5,141	2,470
Other provisions	954	828
Other	52,534	41,351
Total current liabilities	198,221	192,807
Non-current liabilities		
Bonds payable	60,000	80,000
Long-term borrowings	75,572	96,965
Provisions	3,204	1,680
Retirement benefit liability	7,289	4,740
Asset retirement obligations	1,224	1,232
Other	14,169	12,062
Total non-current liabilities	161,458	196,679
Total liabilities	359,679	389,486
Net assets		
Shareholders' equity		
Share capital	58,435	58,435
Capital surplus	40,370	40,379
Retained earnings	276,409	246,610
Treasury shares	(21,598)	(21,534)
Total shareholders' equity	353,616	323,890
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,885	7,761
Deferred gains or losses on hedges	64	47
Foreign currency translation adjustment	39,418	49,489
Remeasurements of defined benefit plans	6,706	5,882
Total accumulated other comprehensive income	55,073	63,179
Share acquisition rights	62	57
Non-controlling interests	20,604	16,396
Total net assets	429,355	403,522
Total liabilities and net assets	789,034	793,008

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

・Consolidated Statements of Income

For the first three quarters ended December 31, 2023 and 2024

(Millions of yen)

	April 1, 2023 – December 31, 2023	April 1, 2024 – December 31, 2024
Net sales	332,947	359,621
Cost of sales	272,826	295,981
Gross profit	60,121	63,640
Selling, general and administrative expenses	47,814	54,106
Operating profit	12,307	9,534
Non-operating income		
Interest income	242	543
Dividend income	3,565	477
Rental income	632	630
Share of profit of entities accounted for using equity method	8,974	5,384
Foreign exchange gains	534	244
Other	684	618
Total non-operating income	14,631	7,896
Non-operating expenses		
Interest expenses	712	1,102
Rental expenses	409	372
Other	2,642	2,979
Total non-operating expenses	3,763	4,453
Ordinary profit	23,175	12,977
Extraordinary income		
Gain on sale of non-current assets	44	331
Gain on sale of investment securities	136	1,120
Gain on change in equity	712	—
Gain on liquidation of subsidiaries and associates	—	311
Total extraordinary income	892	1,762
Extraordinary losses		
Loss on disposal of non-current assets	635	825
Loss on sale of investment securities	—	2,903
Impairment losses	142	30,283
Loss on valuation of investment securities	5	19
Loss on related business	—	3,692
Total extraordinary losses	782	37,722
Profit (loss) before income taxes	23,285	(22,983)
Income taxes	3,535	1,726
Profit (loss)	19,750	(24,709)
Loss attributable to non-controlling interests	(196)	(5,589)
Profit (loss) attributable to owners of parent	19,946	(19,120)

・Consolidated Statements of Comprehensive Income

For the first three quarters ended December 31, 2023 and 2024

(Millions of yen)

	April 1, 2023 – December 31, 2023	April 1, 2024 – December 31, 2024
Profit (loss)	19,750	(24,709)
Other comprehensive income		
Valuation difference on available-for-sale securities	1,593	(697)
Deferred gains or losses on hedges	39	(34)
Foreign currency translation adjustment	7,385	9,306
Remeasurements of defined benefit plans, net of tax	62	(583)
Share of other comprehensive income of entities accounted for using equity method	5,682	1,879
Total other comprehensive income	14,761	9,871
Comprehensive income	34,511	(14,838)
Comprehensive income attributable to owners of parent	33,788	(11,014)
Comprehensive income attributable to non-controlling interests	723	(3,824)

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	April 1, 2023 – December 31, 2023	April 1, 2024 – December 31, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	23,285	(22,983)
Depreciation and amortization	19,658	20,568
Impairment losses	142	30,283
Amortization of goodwill	68	186
Increase (decrease) in allowance for doubtful accounts	2	11
Interest and dividend income	(3,807)	(1,020)
Interest expenses	712	1,102
Share of loss (profit) of entities accounted for using equity method	(8,974)	(5,384)
Loss (gain) on change in equity	(712)	—
Loss on related business	—	3,692
Loss (gain) on sale of non-current assets	(45)	(297)
Increase (decrease) in provision for bonuses	(2,714)	(2,451)
Increase (decrease) in other provisions	820	(1,410)
Decrease (increase) in trade receivables	9,344	5,027
Decrease (increase) in inventories	(5,987)	(4,105)
Increase (decrease) in trade payables	(6,530)	(2,596)
Increase (decrease) in accounts payable - other	(1,418)	(2,379)
Increase (decrease) in contract liabilities	6,158	(2,786)
Other, net	3,317	(7,510)
Subtotal	33,319	7,948
Interest and dividends received	5,363	3,170
Interest paid	(705)	(954)
Income taxes paid	(3,183)	(4,724)
Net cash provided by (used in) operating activities	34,794	5,440
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(21,831)	(45,481)
Proceeds from sale of property, plant and equipment	244	486
Purchase of investment securities	(26)	(1)
Proceeds from sale of investment securities	253	1,542
Purchase of shares of subsidiaries and associates	(1,073)	(10,715)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(1,763)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	—	(695)
Proceeds from withdrawal of investments in silent partnerships	300	—
Decrease (increase) in short-term loans receivable	(2,660)	(800)
Other, net	73	(13)
Net cash provided by (used in) investing activities	(24,720)	(57,440)

(Millions of yen)

	April 1, 2023 – December 31, 2023	April 1, 2024 – December 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,577)	21,405
Net increase (decrease) in commercial papers	2,000	4,999
Proceeds from long-term borrowings	53	34,486
Repayments of long-term borrowings	(10,841)	(24,707)
Proceeds from issuance of bonds	9,949	29,881
Redemption of bonds	—	(10,000)
Purchase of treasury shares	(5)	(5)
Dividends paid	(9,213)	(10,669)
Dividends paid to non-controlling interests	(448)	(726)
Other, net	(490)	(509)
Net cash provided by (used in) financing activities	(10,572)	44,155
Effect of exchange rate change on cash and cash equivalents	878	1,618
Net increase (decrease) in cash and cash equivalents	380	(6,227)
Cash and cash equivalents at beginning of period	30,703	35,859
Cash and cash equivalents at end of period	31,083	29,632

(4) Notes to Quarterly Consolidated Financial Statements

(Significant changes in scope of consolidation during the first three quarters ended December 31, 2024)

UBE Steel Co., Ltd., which had been a consolidated subsidiary, was excluded from the scope of the consolidation due to the sale of its shares during the third quarter of the consolidated fiscal year under review.

During the third quarter of the consolidated fiscal year under review, the Company absorbed API Corporation, which had been a consolidated subsidiary.

(Notes regarding changes in accounting policies)

(Application of the “Accounting Standard for Current Income Taxes,” etc.)

We have applied the“Accounting Standard for Current Income Taxes”(ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “2022 revised Accounting Standard”), etc. from the beginning of the fiscal year ending March 31, 2025.

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

In addition, with regard to revisions related to the treatment in consolidated financial statements when gains or losses on sales of subsidiaries’ shares, etc. between consolidated companies are deferred for tax purposes, the 2022 revised Guidance has been applied from the beginning of the fiscal year ending March 31, 2025. This change in accounting policy has been applied retrospectively. The consolidated quarterly financial statements and consolidated financial statements for the previous consolidated fiscal year presented herein are those after the retrospective application of the change. Note that this change in accounting policy has no impact on the consolidated quarterly financial statements and consolidated financial statements for the previous consolidated fiscal year.

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

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

Income taxes adjustment is included in income taxes.

6.Segment Information

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

For the First Three Quarters Ended December 31, 2023 (April 1, 2023 to December 31, 2023) (Millions of yen)

	Reported segment					Adjustment (note 1)	Amount recorded in consolidated statements of income (note 2)
	Specialty Products	Polymers & Chemicals	Machinery	Others	Total		
Net sales							
External sales	34,654	175,071	65,327	57,895	332,947	—	332,947
Internal sales or transfers	12,111	9,881	314	(3,748)	18,558	(18,558)	—
Total	46,765	184,952	65,641	54,147	351,505	(18,558)	332,947
Segment profit or loss (operating profit or loss)	8,329	(520)	4,354	2,594	14,757	(2,450)	12,307

(Note 1) Adjustments are applied to the followings:

(2,450) million yen for adjustment for Segment profit or loss includes 101 million yen for the elimination of transaction between the Segments and (2,551) million yen for company-wide cost that is not allocated to each reported Segment. Company-wide cost consists mainly of administration and general expense that is not attributed to each reported Segment.

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

For the First Three Quarters Ended December 31, 2024 (April 1, 2024 to December 31, 2024) (Millions of yen)

	Reported segment					Adjustment (note 1)	Amount recorded in consolidated statements of income (note 2)
	Specialty Products	Polymers & Chemicals	Machinery	Others	Total		
Net sales							
External sales	36,936	200,415	61,999	60,271	359,621	—	359,621
Internal sales or transfers	10,552	13,448	423	(8,210)	16,213	(16,213)	—
Total	47,488	213,863	62,422	52,061	375,834	(16,213)	359,621
Segment profit or loss (operating profit or loss)	7,050	(512)	4,911	2,533	13,982	(4,448)	9,534

(Note 1) Adjustments are applied to the followings:

(4,448) million yen for adjustment for Segment profit or loss includes (204) million yen for the elimination of transaction between the Segments and (4,244) million yen for company-wide cost that is not allocated to each reported Segment. Company-wide cost consists mainly of administration and general expense that is not attributed to each reported Segment.

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

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

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

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

(3) Information Concerning Impairment Losses or Goodwill on Non-current Assets by Reported Segment

(Significant impairment losses on non-current assets)

Impairment losses on non-current assets were recorded in the Specialty Products and Polymers & Chemicals Segments. The impairment losses recorded for the first three quarters ended December 31, 2024 were 21 million yen for Specialty Products and 30,262 million yen for Polymers & Chemicals.

(Note to significant changes in shareholders' equity)

None.

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

None.

(Reference) Consolidated Key Indicators

(Billions of yen – except where noted)

	April – December 2023	April – December 2024	April 2024 – March 2025 (forecast)	April 2023 – March 2024
Capital investment	19.5	41.2	76.0	36.1
Depreciation and amortization	19.7	20.6	26.0	26.6
Research and development expenses	7.6	7.3	10.0	10.3
Adjusted operating profit *1	25.1	15.9	23.5	38.8
Interest-bearing debt	218.2	267.3	347.0	213.4
Shareholders' equity *2	384.9	387.1	389.0	408.7
Total assets	756.0	793.0	870.0	789.0
D/E ratio (times)	0.57	0.69	0.89	0.52
Shareholders' equity ratio (%)	50.9	48.8	44.7	51.8
Return on sales - ROS (%) *3	3.7	2.7	3.3	4.8
Return on assets - ROA (%) *4	—	—	2.8	5.1
Return on equity - ROE (%) *5	—	—	(4.4)	7.5
Return on invested capital - ROIC (%) *6	—	—	2.7	4.7

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

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

*3 ROS: Operating profit / Net sales

*4 ROA: Adjusted operating profit / Average total assets

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

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

(English Translation)

Independent Auditor's Interim Review Report

February 5, 2025

The Board of Directors
UBE Corporation

Ernst & Young ShinNihon LLC
Tokyo, Japan

Ritsuko Narazaki
Designated Engagement Partner
Certified Public Accountant

Minori Tamegai
Designated Engagement Partner
Certified Public Accountant

Auditor's Conclusion

We have reviewed the accompanying quarterly consolidated financial statements of UBE Corporation and its consolidated subsidiaries (the Group), which comprise the quarterly consolidated balance sheet as at December 31, 2024, and the quarterly consolidated statements of income, comprehensive income and cash flows for the first three quarters ended December 31, 2024, and notes to the quarterly consolidated financial statements.

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

Basis for Auditor's Conclusion

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

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

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

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

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

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

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

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

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

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

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

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

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

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