UBE Corporation

# Financial Results for the 1st Half FY2026

## Explanatory material

November 5, 2026

1st Half: April - September

# Key points of Financial Results for the 1st Half

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## Consolidated Earnings

1. Net sales and operating profit increased due to the contribution of the Urethane Systems Business to consolidated earnings, solid sales of major products in the Specialty Products Segment, price revisions implemented in response to rising raw material prices in the Polymers & Chemicals Segment, and differences in inventory valuation, among other factors.
2. Ordinary profit increased more than operating profit due mainly to improvements in share of profit of entities accounted for using the equity method.
3. Profit attributable to owners of parent decreased due to an increase in tax expenses.

| Item | FY2025 1st Half (A) | FY2026 1st Half (B) | Difference (B) - (A) |
|---|---|---|---|
| Net sales | 212.7 | 244.7 | 32.0 |
| EBITDA | 21.3 | 27.2 | 5.9 |
| Operating profit | 8.4 | 12.2 | 3.7 |
| Ordinary profit | 16.1 | 20.5 | 4.4 |
| Profit attributable to owners of parent | 11.1 | 10.5 | (0.6) |

## Earnings Forecast

1. Net sales are expected to exceed the forecast, mainly due to selling price adjustments in response to higher raw material and fuel prices in the Polymers & Chemicals Segment.
2. Operating profit, ordinary profit, and profit attributable to owners of parent are expected to exceed the forecast, as sales are expected to remain solid in the Polymers & Chemicals, Specialty Products, and Machinery segments, despite sluggish sales in the Pharmaceutical Segment and an expected increase in integration costs for the Urethane Systems Business in the High Performance Urethane Segment.

## Shareholder Returns

1. There is no change to the dividend forecast. Based on the dividend on equity (DOE) of 3.5%, the annual dividend forecast for FY2026 remains ¥160 per share.
   (interim dividend: ¥80; year-end dividend: ¥80)
2. The Company aims to raise its DOE level from the current level of 3.5% or higher to 4.0% or higher, and is also considering share buybacks using a portion of the proceeds from the planned IPOs of the Machinery Business and the Cement Related Business.

# FY2026 1st Half Consolidated Result

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# Scope of Consolidation

| Item | End of FY2025 (A) | End of FY2026 1st Half (B) | Difference (B) - (A) | Notes |
|---|---|---|---|---|
| Number of consolidated subsidiaries | 46 | 46 | — | |
| Number of equity method affiliates | 17 | 15 | (2) | — MC FERTICOM CO.,LTD.<br>— LOTTE UBE SYNTHETIC RUBBER SDN.BHD. |
| Total | 63 | 61 | (2) | |

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# Environmental Factors

| Item | | | | FY2025 1st Half (A) | FY2026 1st Half (B) | Difference (B) - (A) |
|---|---|---|---|---|---|---|
| Exchange Rate | | | Yen/$ | 146.0 | 159.4 | 13.4 |
| Material Price | Naphtha | CIF | $/t | 616 | 946 | 330 |
| | | Domestic | Yen/KL | 64,550 | 107,050 | 42,500 |
| | Australian Coal (CIF) | | $/t | 139.0 | 161.0 | 22.0 |
| | | | Yen/t | 20,299 | 25,659 | 5,360 |

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# Major P/L Items

(Billions of yen)

| Item | FY2025 1st Half (A) | FY2026 1st Half (B) | Difference (B) - (A) | Percentage change |
|---|---|---|---|---|
| Net sales | 212.7 | 244.7 | 32.0 | 15.0% |
| EBITDA | 21.3 | 27.2 | 5.9 | 27.5% |
| Operating profit | 8.4 | 12.2 | 3.7 | 44.2% |
| Ordinary profit | 16.1 | 20.5 | 4.4 | 27.2% |
| Profit attributable to owners of parent | 11.1 | 10.5 | (0.6) | (5.7)% |

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# Net Sales and Operating Profit by Segment

(Billions of yen)

| | Segment | FY2025 1st Half (A) | FY2026 1st Half (B) | Difference (B) - (A) | Percentage change |
|---|---|---|---|---|---|
| Net sales | Specialty Products | 34.4 | 41.7 | 7.3 | 21.2% |
| | High Performance Urethane | 17.0 | 31.8 | 14.8 | 86.6% |
| | Pharmaceutical | 10.5 | 9.5 | (1.0) | (9.3)% |
| | Polymers & Chemicals | 117.2 | 127.8 | 10.6 | 9.0% |
| | Machinery | 29.8 | 29.0 | (0.8) | (2.7)% |
| | Others | 16.7 | 20.5 | 3.8 | 22.7% |
| | Adjustment | (12.9) | (15.5) | (2.6) | - |
| | Total | 212.7 | 244.7 | 32.0 | 15.0% |
| Operating profit | Specialty Products | 4.3 | 7.0 | 2.6 | 61.1% |
| | High Performance Urethane | (0.4) | 0.4 | 0.8 | - |
| | Pharmaceutical | (0.5) | (0.7) | (0.2) | - |
| | Polymers & Chemicals | 4.0 | 5.9 | 1.9 | 46.2% |
| | Machinery | 1.9 | 2.1 | 0.2 | 10.1% |
| | Others | 1.0 | 1.0 | 0.0 | 0.0% |
| | Adjustment | (2.0) | (3.6) | (1.6) | - |
| | Total | 8.4 | 12.2 | 3.7 | 44.2% |

(Note) The Company Group determined the provisional accounting treatment related to the business combinations involving a material-recycled plastic manufacturer and companies engaged in the Urethane Systems Business during the fiscal year ended March 2026. The finalized accounting treatment is being applied in each reported figure for the first half of the fiscal year ended March 2026.

(Note) From fiscal year ended March 2027, UBE America Inc. has been reclassified from “Polymers & Chemicals” to “Specialty Products.” The results for the first half of the fiscal year ended March 2026 are presented as reference figures assuming the new segment classification.

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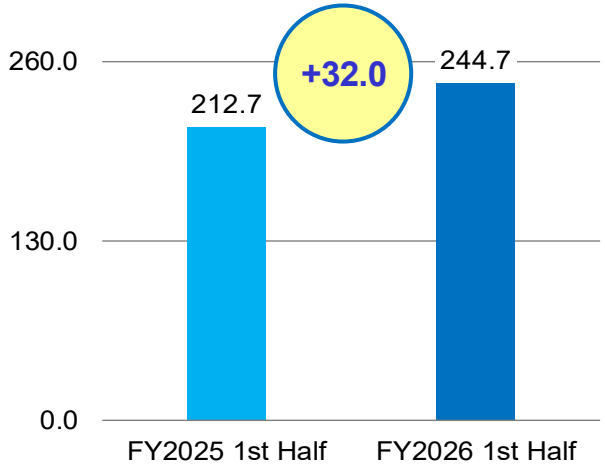
# Analysis – Total

(Billions of yen)

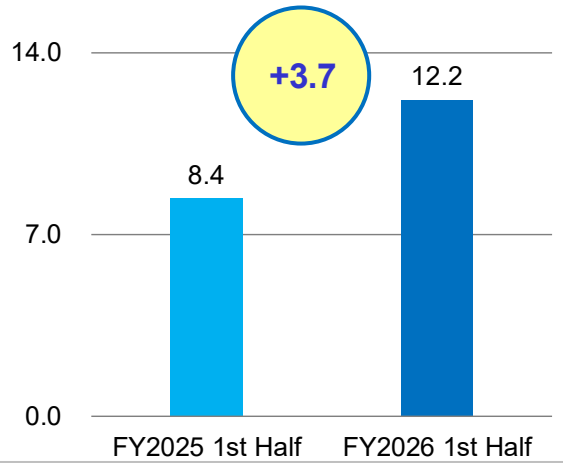
## Net Sales




| | |
|---|---|
| Specialty Products | 7.3 |
| High Performance Urethane | 14.8 |
| Pharmaceutical | (1.0) |
| Polymers & Chemicals | 10.6 |
| Machinery | (0.8) |
| Others | 3.8 |
| Adjustment | (2.6) |

**15.0% Increased**

## Operating profit




| | |
|---|---|
| Specialty Products | 2.6 |
| High Performance Urethane | 0.8 |
| Pharmaceutical | (0.2) |
| Polymers & Chemicals | 1.9 |
| Machinery | 0.2 |
| Others | 0.0 |
| Adjustment | (1.6) |

**44.2% Increased**

## Qualitative Information

Net sales: Up

- High Performance Urethane: Contribution of the Urethane Systems Business, which was not included in consolidated earnings for the first quarter of the previous fiscal year
- Polymers & Chemicals: Increase in selling prices of elastomers
- Specialty Products : Increase in sales volumes of major products

Operating profit: Up

- Despite higher raw material and fuel prices resulting from the situation in the Middle East, the Urethane Systems Business contributed to earnings, while sales of major products in the Specialty Products Segment, sales of nylon polymers, elastomers, and other products in the Polymers & Chemicals Segment, and after-sales services in the Machinery Segment remained solid.

## Difference of operating profit

| | |
|---|---|
| Price *1 | 4.3 |
| Volume | 1.2 |
| Fixed Cost and Others *2 | (1.7) |
| **Total** | **3.7** |

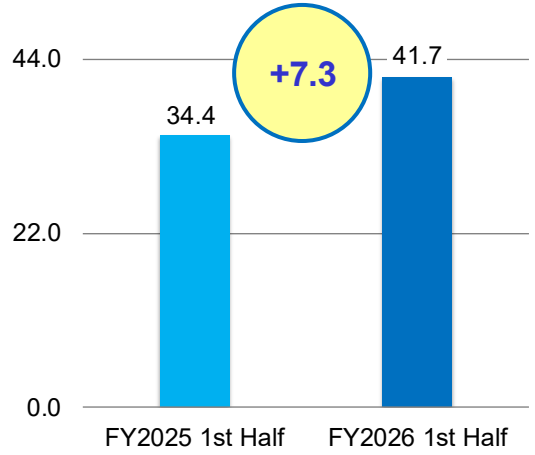
*1: Including both selling and purchase changes

*2: Including inventory valuation changes

# Analysis – Specialty Products

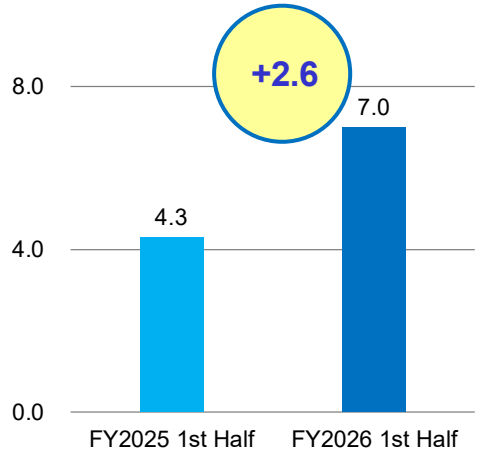
(Billions of yen)

## Net Sales




**21.2% Increased**

## Operating profit




**61.1% Increased**

## Qualitative Information

Net sales: Up

- Polyimide: Solid demand for COF films used in display applications and varnishes for OLED panels used in smartphone applications, as well as an increase in sales volume of BPDA raw material.
- Separation membranes: Recovery in demand for $CO_2$ separation membranes for biomethane production, and increased demand for nitrogen separation membranes for equipment applications and other uses.
- Ceramics: Increase in sales volume of products for bearings used in electric vehicles
- Separators: Increase in sales volume due to rising demand for hybrid vehicles
- Phenolic resin: Increase in sales volume driven by growing demand from the semiconductor industry

Operating profit: Up

- Solid sales of polyimide, separation membranes, phenolic resin, and separators

## Difference of operating profit

| | |
|---|---|
| Price *1 | (0.8) |
| Volume | 2.9 |
| Fixed Cost and Others *2 | 0.5 |
| **Total** | **2.6** |

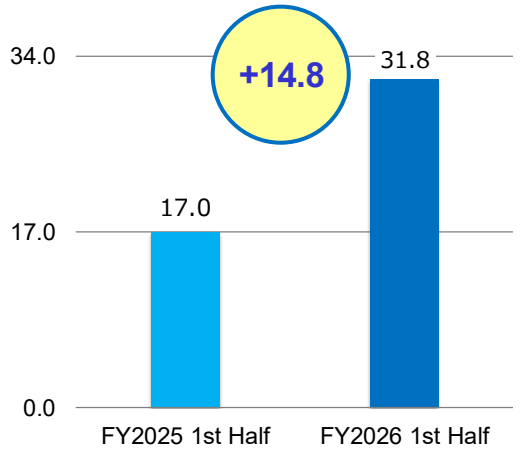
*1: Including both selling and purchase changes

*2: Including inventory valuation changes

# Analysis – High Performance Urethane

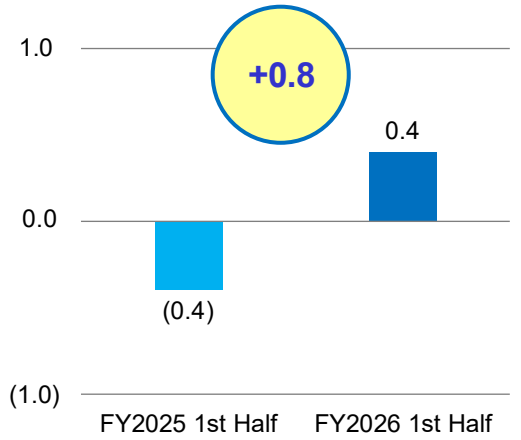
(Billions of yen)

## Net Sales




**86.6% Increased**

## Operating profit




**—**

## Qualitative Information

Net sales: Up

- Urethane systems: The Urethane Systems Business was acquired in April 2025. As the companies engaged in this business have December fiscal year-ends, their results were not reflected in consolidated results for the first quarter of the previous fiscal year. In contrast, their results were reflected in the first quarter under review, contributing to an increase in net sales. Demand remained solid in major applications, including semiconductor-related applications, particularly in the U.S. market.
- High-Performance Coatings: Solid sales in overseas markets

Operating profit: Up

- Reflection of results from the Urethane Systems Business in the first quarter of the current fiscal year
- Solid sales of High-Performance Coatings

## Difference of operating profit

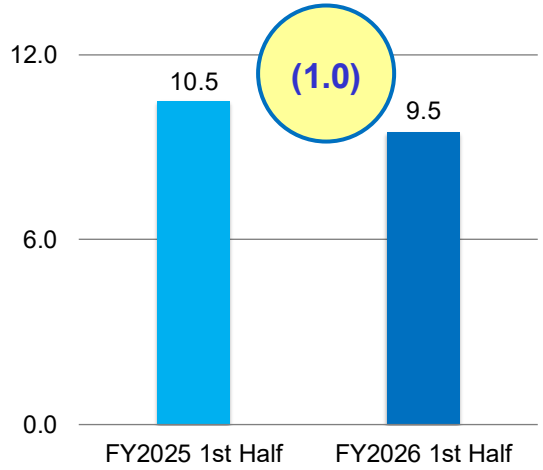
| | |
|---|---|
| Price *1 | 0.3 |
| Volume | 0.9 |
| Fixed Cost and Others *2 *3 | (0.4) |
| **Total** | **0.8** |

*1: Including both selling and purchase change
*2: Including inventory valuation changes
*3: Including 1Q price and volume changes in Urethane Systems

# Analysis – Pharmaceutical

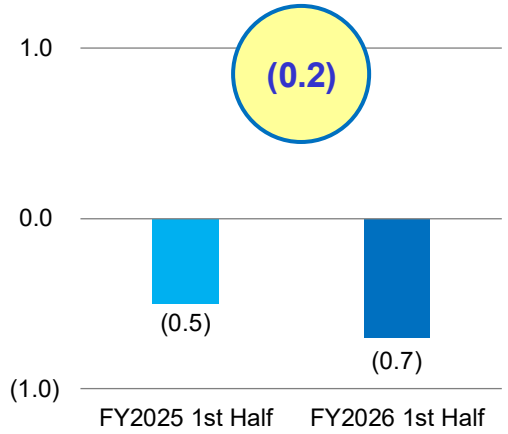
(Billions of yen)

## Net Sales




**(9.3)% Decreased**

## Operating profit




**–**

## Qualitative Information

Net sales: Down

- Sluggish sales volume of contract pharmaceuticals
- Decrease in royalty income

Operating profit: Down

- Sluggish sales volume of contract pharmaceuticals
- Decrease in royalty income

## Difference of operating profit

| | |
|---|---|
| Price *1 | 0.3 |
| Volume | 0.6 |
| Fixed Cost and Others *2 | (1.0) |
| **Total** | **(0.2)** |

*1: Including both selling and purchase changes
*2: Including inventory valuation changes

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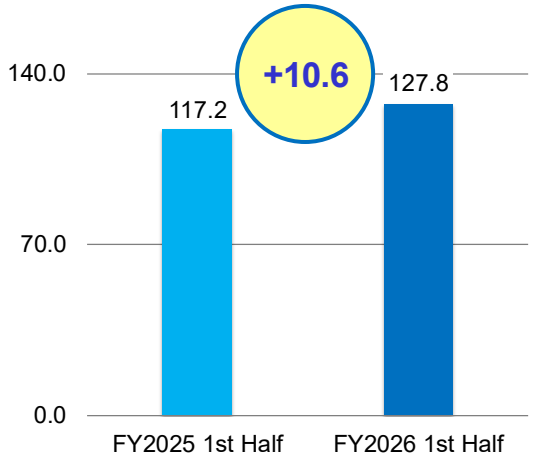
# Analysis – Polymers & Chemicals

(Billions of yen)

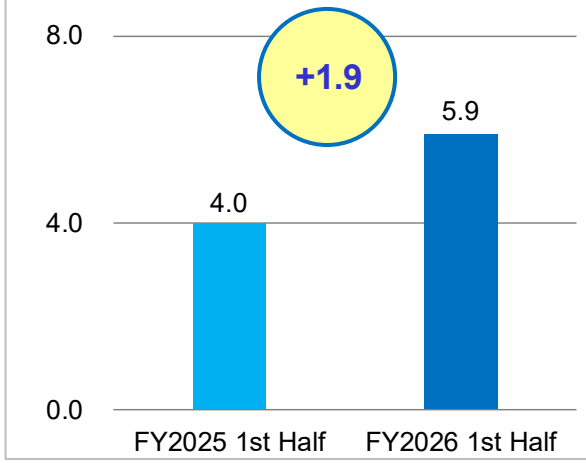
## Net Sales




| | |
|---|---|
| Performance Polymers & Chemicals | (0.1) |
| Elastomer | 10.7 |

**9.0% Increased**

## Operating profit




| | |
|---|---|
| Performance Polymers & Chemicals | 0.2 |
| Elastomer | 1.6 |

**46.2% Increased**

## Qualitative Information

Net sales: Up

- Composites: Price revisions implemented in response to rising raw material prices, while demand for automotive applications remained firm
- Nylon polymers: Price revisions implemented in response to rising raw material prices despite lower sales volume resulting from the downsizing of production facilities in Thailand in March 2026 as part of the business structure reform
- Elastomer: Increase in selling prices due to higher raw material prices

Operating profit: Up

- Increase in selling prices of nylon polymers and elastomers, etc.

## Difference of operating profit

| | |
|---|---|
| Price *1 | 3.0 |
| Volume | (3.0) |
| Fixed Cost and Others *2 | 2.0 |
| **Total** | **1.9** |

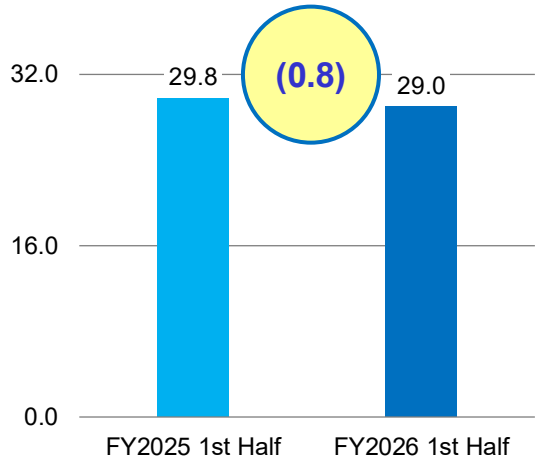
*1: Including both selling and purchase changes

*2: Including inventory valuation changes

# Analysis – Machinery

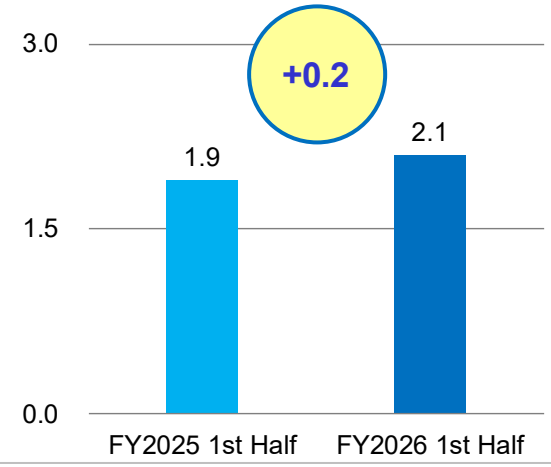
(Billions of yen)

## Net Sales




**(2.7)% Decreased**

## Operating profit




**10.1% Increased**

## Qualitative Information

Net sales: Down

- Molding Machinery : Weak sales of products for the automotive industry

Operating profit: Up

- After-sales services remained solid in both the Molding Machinery and Industrial Machinery businesses.

## Difference of operating profit

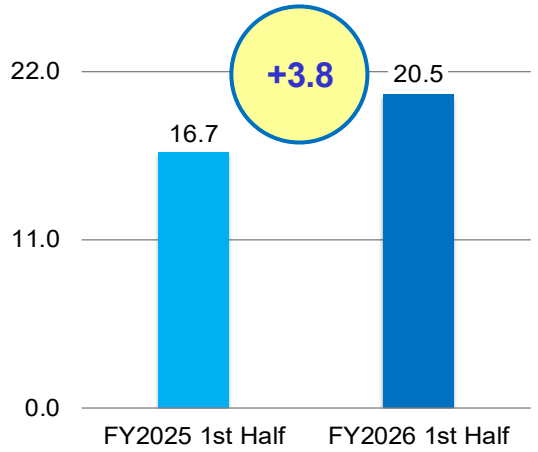
Marginal profit on machinery product: 0.9

(Since machinery products are manufactured on an individual order basis, no analysis of differences in price and volume is conducted.)

# Analysis – Others

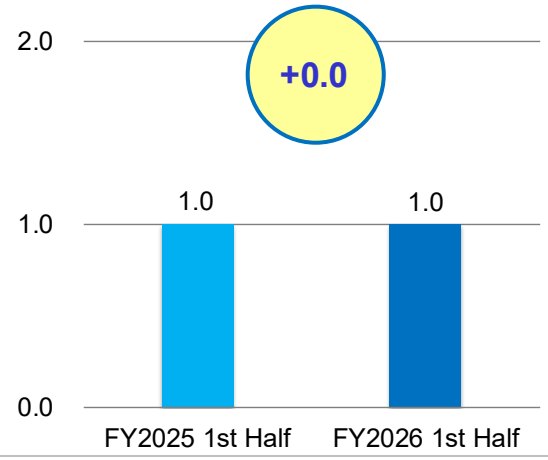
(Billions of yen)

## Net Sales




**22.7% Increased**

## Operating profit




**0.0% Increased**

## Qualitative Information

Net sales: Up

- Power: Increase in electricity selling prices due to higher coal prices

Operating profit: Up

- Remained at the same level as the same period of the previous fiscal year due to biennial maintenance at the in-house power plant.

## Difference of operating profit

| | |
|---|---|
| Price *1 | 1.5 |
| Volume | (0.2) |
| Fixed Cost and Others | (1.3) |
| **Total** | **0.0** |

*1: Including both selling and purchase changes

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# Operating Profit – Profit Attributable to Owners of Parent

(Billions of yen)

| Item | FY2025 1st Half (A) | FY2026 1st Half (B) | Difference (B) - (A) |
|---|---|---|---|
| Operating profit | 8.4 | 12.2 | 3.7 |
| Non-operating income (expenses) | 7.7 | 8.3 | 0.6 |
| Net interests expenses | (1.2) | (1.4) | (0.2) |
| Share of profit of entities accounted for using equity method | 7.9 | 9.4 | 1.5 |
| Share of profit of entities accounted for using equity method related to Mitsubishi UBE Cement Group | 6.8 | 6.4 | (0.4) |
| Foreign exchange gains (losses) | 1.2 | (0.2) | (1.4) |
| Others | (0.3) | 0.5 | 0.8 |
| Ordinary profit | 16.1 | 20.5 | 4.4 |
| Extraordinary income (losses) | (1.9) | (1.6) | 0.4 |
| Profit before income taxes | 14.2 | 18.9 | 4.7 |
| Income taxes and profit (loss) attributable to non-controlling interests | (3.1) | (8.5) | (5.4) |
| Profit attributable to owners of parent | 11.1 | 10.5 | (0.6) |
| Net income per share | 114.14 yen | 107.59 yen | (6.55) yen |

(Note) The Company Group determined the provisional accounting treatment related to the business combinations involving a material-recycled plastic manufacturer and companies engaged in the Urethane Systems Business during the fiscal year ended March 2026. The finalized accounting treatment is being applied in each reported figure for the first half of the fiscal year ended March 2026.

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# Consolidated Balance Sheet

(Billions of yen)

| Item | End of FY2025 (A) | End of FY2026 1st Half (B) | Difference (B) - (A) |
|---|---|---|---|
| Current assets | 308.3 | 325.9 | 17.6 |
| Fixed assets | 637.8 | 623.9 | (13.9) |
| Total assets | 946.3 | 950.0 | 3.7 |
| Interest-bearing debt | 358.2 | 354.3 | (3.9) |
| Other liabilities | 133.2 | 135.3 | 2.1 |
| Total liabilities | 491.4 | 489.6 | (1.8) |
| Shareholders' equity * | 437.2 | 443.2 | 6.0 |
| Non-controlling interests and others | 17.7 | 17.2 | (0.5) |
| Total net assets | 454.9 | 460.4 | 5.5 |
| Total liabilities and net assets | 946.3 | 950.0 | 3.7 |

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

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# Consolidated Statements of Cash Flows

(Billions of yen)

| Item | FY2025 1st Half | FY2026 1st Half | |
|---|---|---|---|
| A.Cash flows from operating activities | 31.6 | 19.4 | Profit before income taxes 18.9<br>Depreciation and amortization 13.8<br>Share of profit of entities accounted for using equity method (9.4), etc. |
| B.Cash flows from investing activities | (88.8) | 1.0 | Acquisition of property, plant and equipment and intangible assets (31.0)<br>Dividend income from Mitsubishi UBE Cement Corporation 28.7, etc. |
| Free cash flows (A+B) | (57.2) | 20.4 | |
| C.Cash flows from financing activities | (16.1) | (13.2) | Increases (decreases) in interest-bearing debt (6.7)<br>Dividends paid (6.4), etc. |
| D.Net increase / decrease in cash and cash equivalents | (71.3) | 7.3 | |
| E.Cash and cash equivalents at end of the period | 44.2 | 59.9 | |

(Note) The Company Group determined the provisional accounting treatment related to the business combinations involving a material-recycled plastic manufacturer and companies engaged in the Urethane Systems Business during the fiscal year ended March 2026. The finalized accounting treatment is being applied in each reported figure for the first half of the fiscal year ended March 2026.

# FY2026 Consolidated Forecasts

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# Environmental Factors : vs. Previous Fiscal Year

| Item | | | | FY2025 (A) | FY2026 (B) | Difference (B) - (A) |
|---|---|---|---|---|---|---|
| Exchange Rate | | | Yen/$ | 150.8 | 157.2<br>[155.0→155.0] | 6.4<br>[0.0] |
| Material Price | Naphtha | CIF | $/t | 605 | 925<br>[560→900] | 320<br>[340] |
| | | Domestic | Yen/KL | 65,100 | 103,500<br>[62,000→100,000] | 38,400<br>[38,000] |
| | Australian Coal (CIF) | | $/t | 139.0 | 168.0<br>[135.0→175.0] | 29.0<br>[40] |
| | | | Yen/t | 20,957 | 26,400<br>[20,925→27,125] | 5,443<br>[6,200] |

[ ] indicates change from the previous forecast figures for the second half only to the latest forecast figures for the second half only.

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# Major P/L Items : vs. Forecast announced on May 13, 2026

(Billions of yen)

| Item | FY2026 (Announced on May 13) (A) | FY2026 (Announced on November 2) (B) | Difference (B) - (A) | Percentage change |
|---|---|---|---|---|
| Net sales | 485.0 | 518.0 | 33.0 | 6.8% |
| EBITDA | 56.5 | 59.5 | 3.0 | 5.3% |
| Operating profit | 23.5 | 26.5 | 3.0 | 12.8% |
| Ordinary profit | 37.5 | 39.0 | 1.5 | 4.0% |
| Profit attributable to owners of parent | 24.5 | 25.5 | 1.0 | 4.1% |

| Item | End of FY2026 (Announced on May 13) (A) | End of FY2026 (Announced on November 2) (B) | Difference (B) - (A) |
|---|---|---|---|
| Total assets | 1,020.0 | 1,020.0 | — |
| Interest-bearing debt | 415.0 | 415.0 | — |
| Shareholders' equity | 450.0 | 450.0 | — |

| | | | |
|---|---|---|---|
| Dividend (Yen /Share) | *1 160.00 | *2 160.00 | — |

*1 Dividend: Interim / 80 yen, Fiscal year-end / 80 yen : announced on May 20, 2026

*2 Dividend: Interim / 80 yen, Fiscal year-end / 80 yen

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# Net Sales by Segment : vs. announced on May 13, 2026

(Billions of yen)

| Segment | FY2026 (Announced on May 13) (A) | FY2026 (Announced on November 2) (B) | Difference (B) - (A) | Revisions from the previous earnings forecasts announced on May 13, 2026 |
|---|---|---|---|---|
| Specialty Products | 89.0 | 88.0 | (1.0) | • Decrease in sales volume of ceramics and separators |
| High Performance Urethane | 68.0 | 69.0 | 1.0 | • Solid sales of Urethane Systems |
| Pharmaceutical | 21.0 | 20.0 | (1.0) | • Weak sales of contract pharmaceuticals |
| Polymers & Chemicals | 239.0 | 269.5 | 30.5 | • Increase in selling prices of nylon polymers and elastomers due to higher raw material and fuel prices |
| Machinery | 70.0 | 67.5 | (2.5) | • Slower sales of molding machinery and industrial machinery products |
| Others | 36.0 | 39.0 | 3.0 | • Increase in electricity selling prices due to higher coal prices<br>• Solid performance of overseas sales companies |
| Adjustment | (38.0) | (35.0) | 3.0 | |
| Total | 485.0 | 518.0 | 33.0 | |

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# Operating Profit by Segment : vs. announced on May 13, 2026

(Billions of yen)

| Segment | FY2026 (Announced on May 13) (A) | FY2026 (Announced on November 2) (B) | Difference (B) - (A) | Revisions from the previous earnings forecasts announced on May 13, 2026 |
|---|---|---|---|---|
| Specialty Products | 15.0 | 16.0 | 1.0 | • Solid sales of polyimide and phenolic resins |
| High Performance Urethane | 1.0 | (1.0) | (2.0) | • Increase in Post Merger Integration (PMI) costs for Urethane Systems |
| Pharmaceutical | 0.5 | (3.0) | (3.5) | • Weak sales of contract pharmaceuticals |
| Polymers & Chemicals | 5.0 | 13.0 | 8.0 | • Composites: Price revisions implemented in response to rising raw material prices<br>• Nylon polymers: Price revisions implemented in response to rising raw material prices<br>• Elastomers: Increase in selling prices due to higher raw material prices |
| Machinery | 4.5 | 5.5 | 1.0 | • Solid after-sales services |
| Others | 1.5 | 2.0 | 0.5 | • Solid performance of overseas sales companies |
| Adjustment | (4.0) | (6.0) | (2.0) | |
| Total | 23.5 | 26.5 | 3.0 | |

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# Major P/L Items : vs. Previous Fiscal Year

(Billions of yen)

| Item | FY2025 (A) | FY2026 (B) | Difference (B) - (A) | Percentage change |
|---|---|---|---|---|
| Net sales | 462.3 | 518.0 | 55.7 | 12.0% |
| EBITDA | 46.4 | 59.5 | 13.1 | 28.2% |
| Operating profit | 18.9 | 26.5 | 7.6 | 39.9% |
| Ordinary profit | 37.5 | 39.0 | 1.5 | 4.0% |
| Profit attributable to owners of parent | 23.9 | 25.5 | 1.6 | 6.8% |

| Item | End of FY2025 (A) | End of FY2026 (B) | Difference (B) - (A) |
|---|---|---|---|
| Total assets | 946.3 | 1,020.0 | 73.7 |
| Interest-bearing debt | 358.2 | 415.0 | 56.8 |
| Shareholders' equity | 437.2 | 450.0 | 12.8 |
| Dividend (Yen /Share) | *1 110.00 | *2 160.00 | 50.00 |

*1 Dividend: Interim / 55 yen, Fiscal year-end / 55 yen
*2 Dividend: Interim / 80 yen, Fiscal year-end / 80 yen

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# Net Sales and Operating Profit by Segment

(Billions of yen)

| | Segment | FY2025 (A) | FY2026 (B) | Difference (B) - (A) | Percentage change |
|---|---|---|---|---|---|
| Net sales | Specialty Products | 71.0 | 88.0 | 17.0 | 24.0% |
| | High Performance Urethane | 46.5 | 69.0 | 22.5 | 48.2% |
| | Pharmaceutical | 21.0 | 20.0 | (1.0) | (4.8)% |
| | Polymers & Chemicals | 248.8 | 269.5 | 20.7 | 8.3% |
| | Machinery | 68.4 | 67.5 | (0.9) | (1.3)% |
| | Others | 34.5 | 39.0 | 4.5 | 13.1% |
| | Adjustment | (27.9) | (35.0) | (7.1) | — |
| | Total | 462.3 | 518.0 | 55.7 | 12.0% |
| Operating profit | Specialty Products | 9.9 | 16.0 | 6.1 | 62.2% |
| | High Performance Urethane | (0.5) | (1.0) | (0.5) | — |
| | Pharmaceutical | (1.3) | (3.0) | (1.7) | — |
| | Polymers & Chemicals | 8.0 | 13.0 | 5.0 | 61.9% |
| | Machinery | 6.2 | 5.5 | (0.7) | (11.9)% |
| | Others | 1.9 | 2.0 | 0.1 | 4.4% |
| | Adjustment | (5.3) | (6.0) | (0.7) | — |
| | Total | 18.9 | 26.5 | 7.6 | 39.9% |

# Reference

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# Breakdown of First-Half and Second-Half Figures by Segment

(Billions of yen)

| Segment | Net Sales | | | Operating profit | | |
|---|---|---|---|---|---|---|
| | First-half results | Second-half forecast | Total | First-half results | Second-half forecast | Total |
| Specialty Products | 41.7 | 46.3 | 88.0 | 7.0 | 9.0 | 16.0 |
| High Performance Urethane | 31.8 | 37.2 | 69.0 | 0.4 | (1.4) | (1.0) |
| Pharmaceutical | 9.5 | 10.5 | 20.0 | (0.7) | (2.3) | (3.0) |
| Polymers & Chemicals | 127.8 | 141.7 | 269.5 | 5.9 | 7.1 | 13.0 |
| Machinery | 29.0 | 38.5 | 67.5 | 2.1 | 3.5 | 5.5 |
| Others | 20.5 | 18.5 | 39.0 | 1.0 | 1.0 | 2.0 |
| Adjustment | (15.5) | (19.5) | (35.0) | (3.6) | (2.5) | (6.0) |
| Total | 244.7 | 273.3 | 518.0 | 12.2 | 14.3 | 26.5 |

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# Progress of Major P/L Items

(Billions of yen)

| Item | FY2025 Results (A) | | FY2026 Forecast (B) | | Difference (B) - (A) | |
|---|---|---|---|---|---|---|
| | | 1st Half Progress | | 1st Half Progress | | 1st Half |
| Net sales | 462.3 | 212.7<br>46.0% | 518.0 | 244.7<br>47.2% | 55.7 | 32.0 |
| EBITDA | 46.4 | 21.3<br>46.0% | 59.5 | 27.2<br>45.7% | 13.1 | 5.9 |
| Operating profit | 18.9 | 8.4<br>44.6% | 26.5 | 12.2<br>45.9% | 7.6 | 3.7 |
| Ordinary profit | 37.5 | 16.1<br>42.9% | 39.0 | 20.5<br>52.5% | 1.5 | 4.4 |
| Profit attributable to owners of parent | 23.9 | 11.1<br>46.4% | 25.5 | 10.5<br>41.0% | 1.6 | (0.6) |

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# Net Sales

(Billions of yen)

| Segment | FY2026 | | | | | Full-year (forecast) | Progress |
|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | Total | | |
| Specialty Products | 20.6 | 21.1 | — | — | 41.7 | 88.0 | 47.3% |
| High Performance Urethane | 15.7 | 16.1 | — | — | 31.8 | 69.0 | 46.1% |
| Pharmaceutical | 4.7 | 4.8 | — | — | 9.5 | 20.0 | 47.5% |
| Polymers & Chemicals | 65.5 | 62.3 | — | — | 127.8 | 269.5 | 47.4% |
| Machinery | 14.1 | 14.9 | — | — | 29.0 | 67.5 | 42.9% |
| Others | 9.4 | 11.1 | — | — | 20.5 | 39.0 | 52.5% |
| Adjustment | (8.1) | (7.4) | — | — | (15.5) | (35.0) | —% |
| Total | 121.9 | 122.8 | — | — | 244.7 | 518.0 | 47.2% |

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# Operating Profit

(Billions of yen)

| Segment | FY2026 | | | | | Full-year (forecast) | Progress |
|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | Total | | |
| Specialty Products | 3.2 | 3.7 | — | — | 7.0 | 16.0 | 43.6% |
| High Performance Urethane | 0.6 | (0.2) | — | — | 0.4 | (1.0) | —% |
| Pharmaceutical | (0.5) | (0.2) | — | — | (0.7) | (3.0) | —% |
| Polymers & Chemicals | 2.6 | 3.3 | — | — | 5.9 | 13.0 | 45.4% |
| Machinery | 1.1 | 1.0 | — | — | 2.1 | 5.5 | 37.7% |
| Others | 0.5 | 0.5 | — | — | 1.0 | 2.0 | 51.9% |
| Adjustment | (2.0) | (1.6) | — | — | (3.6) | (6.0) | —% |
| Total | 5.6 | 6.6 | — | — | 12.2 | 26.5 | 45.9% |

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# 2Q on 1Q – Net Sales

(Billions of yen)

| Segment | FY2026 1Q (A) | FY2026 2Q (B) | Difference (B) - (A) | Major factors |
|---|---|---|---|---|
| Specialty Products | 20.6 | 21.1 | 0.5 | |
| High Performance Urethane | 15.7 | 16.1 | 0.4 | |
| Pharmaceutical | 4.7 | 4.8 | 0.1 | |
| Polymers & Chemicals | 65.5 | 62.3 | (3.2) | Performance Polymers & Chemicals (2.8)<br>Elastomer (0.3) |
| Machinery | 14.1 | 14.9 | 0.7 | |
| Others | 9.4 | 11.1 | 1.7 | |
| Adjustment | (8.1) | (7.4) | 0.7 | |
| Total | 121.9 | 122.8 | 0.9 | |

UBE / UBE Corporation

# 2Q on 1Q – Operating Profit

(Billions of yen)

| Segment | FY2026 1Q (A) | FY2026 2Q (B) | Difference (B) - (A) | Major factors |
|---|---|---|---|---|
| Specialty Products | 3.2 | 3.7 | 0.5 | |
| High Performance Urethane | 0.6 | (0.2) | (0.8) | |
| Pharmaceutical | (0.5) | (0.2) | 0.3 | |
| Polymers & Chemicals | 2.6 | 3.3 | 0.6 | Performance Polymers & Chemicals (1.2)<br>Elastomer 1.8 |
| Machinery | 1.1 | 1.0 | (0.1) | |
| Others | 0.5 | 0.5 | 0.0 | |
| Adjustment | (2.0) | (1.6) | 0.5 | |
| Total | 5.6 | 6.6 | 1.1 | |

# Net Sales and Operating Profit by Business Portfolio

(Billions of yen)

| | Business portfolio | FY2025 1st Half (A) | FY2026 1st Half (B) | Difference (B) - (A) |
|---|---|---|---|---|
| Net sales | Specialty business | 86.7 | 120.2 | 33.5 |
| | Restructuring business | 88.5 | 87.4 | (1.2) |
| | Machinery business | 29.8 | 29.0 | (0.8) |
| | Other businesses (incl. adjustment) | 7.7 | 8.2 | 0.5 |
| | Total | 212.7 | 244.7 | 32.0 |
| Operating profit | Specialty business | 9.1 | 12.6 | 3.6 |
| | Restructuring business | (1.1) | 0.2 | 1.3 |
| | Machinery business | 1.9 | 2.1 | 0.2 |
| | Other businesses (incl. adjustment) | (1.4) | (2.7) | (1.3) |
| | Total | 8.4 | 12.2 | 3.7 |

(Note) From fiscal year ended March 2027, UBE America Inc. has been reclassified from “Polymers & Chemicals” to “Specialty Products.” The results for the first half of the fiscal year ended March 2026 are presented as reference figures assuming the new segment classification.

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# Mitsubishi UBE Cement

## ■Major P/L Items

(Billions of yen)

**Mitsubishi UBE Cement Corporation and consolidated subsidiaries**

| Item | | FY2025 1st Half | FY2026 1st Half |
|---|---|---|---|
| Net sales | Domestic business | 179.6 | 189.3 |
| | Overseas business | 88.0 | 91.7 |
| Total | | 267.6 | 281.0 |
| Operating profit | Domestic business | 9.1 | 10.0 |
| | Overseas business | 16.5 | 11.7 |
| Total | | 25.5 | 21.7 |
| Ordinary profit | | 27.1 | 22.0 |
| Profit attributable to owners of parent | | 13.1 | 12.0 |

## ■Share of profit of entities accounted for using equity method in UBE's Consolidated Statements of Income

| | | |
|---|---|---|
| Share of profit of entities accounted for using equity method | 6.8 | 6.4 |

## ■Environmental Factors

| Item | | FY2025 1st Half | FY2026 1st Half |
|---|---|---|---|
| Total demand for cement in Japan | (million tons) | 15.35 | 14.50 |
| Cement sales volumes in Japan | (million tons) | 3.75 | 3.48 |
| Cement sales volumes in the U.S. | (million tons) | 0.81 | 0.69 |
| Ready-mixed concrete sales volumes in the U.S. | (million cy) | 3.13 | 2.84 |
| Coal price* | ($/t) | 105 | 135 |
| Exchange rate | (Yen/$) | 146 | 159 |

* The above thermal coal prices are reference indices and differ from actual procurement prices.

**(Reference) Consolidated Balance Sheet at the end of FY2026 1st Half** **(Billions of yen)**

| | | | | | |
|---|---|---|---|---|---|
| Total assets | 821.2 | Interest-bearing debt | 231.4 | Shareholders' equity | 315.3 |
| Shareholders' equity ratio | 38.4% | D/E ratio | 0.73 Times | | |

FY2026 1st Half Results

- Businesses in Japan: In the domestic cement business, cement sales volume declined year on year due to lower domestic demand caused by labor shortages at construction sites, extended construction periods, unfavorable weather conditions, and other factors, although selling prices increased as a result of the price revisions implemented in the previous fiscal year. In the Environment & Energy Business, sales volume increased and costs decreased due to the absence of the biennial scheduled maintenance and equipment trouble at the power generation facilities that occurred in the previous fiscal year. Despite the impact of higher raw material and fuel prices resulting from the situation in the Middle East, the Domestic Business as a whole recorded increases in both net sales and operating profit compared with the same period of the previous fiscal year.
- Businesses outside Japan: Net sales increased year on year due to the impact of the weaker yen, although sales volume declined as private-sector demand in the U.S. remained sluggish amid persistently high interest rates. Operating profit decreased year on year due to higher fuel costs resulting from the situation in the Middle East and other factors.

UBE / UBE Corporation

# Consolidated Key Indicators

(Billions of yen)

| Item | FY2025 1st Half | FY2026 1st Half | FY2026 full-year (forecast) | FY2025 full-year |
|---|---|---|---|---|
| Capital investment | 21.2 | 32.5 | 85.0 | 69.0 |
| Depreciation and amortization | 12.3 | 13.8 | 31.0 | 25.7 |
| Research and development expenses | 5.8 | 7.0 | 13.0 | 12.4 |
| Adjusted operating profit * | 16.8 | 22.2 | 43.0 | 35.4 |
| Interest-bearing debt | 321.8 | 354.3 | 415.0 | 358.2 |
| Shareholders' equity | 406.8 | 443.2 | 450.0 | 437.2 |
| Total assets | 870.7 | 950.0 | 1,020.0 | 946.3 |
| D/E ratio (times) | 0.79 | 0.80 | 0.92 | 0.82 |
| Shareholders' equity ratio (%) | 46.7 | 46.7 | 44.1 | 46.2 |
| Return on sales - ROS (%) | 4.0 | 5.0 | 5.1 | 4.1 |
| Return on assets - ROA (%) | — | — | 4.4 | 3.9 |
| Return on equity – ROE (%) | — | — | 5.7 | 5.7 |
| Return on invested capital - ROIC (%) | — | — | 4.1 | 3.8 |

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

(Note)The Company Group determined the provisional accounting treatment related to the business combinations involving a material-recycled plastic manufacturer and companies engaged in the Urethane Systems Business during the fiscal year ended March 2026.
The finalized accounting treatment is being applied in each reported figure for the first half of the fiscal year ended March 2026.

UBE Corporation

# Consolidated Major Subsidiaries

(Billions of yen)

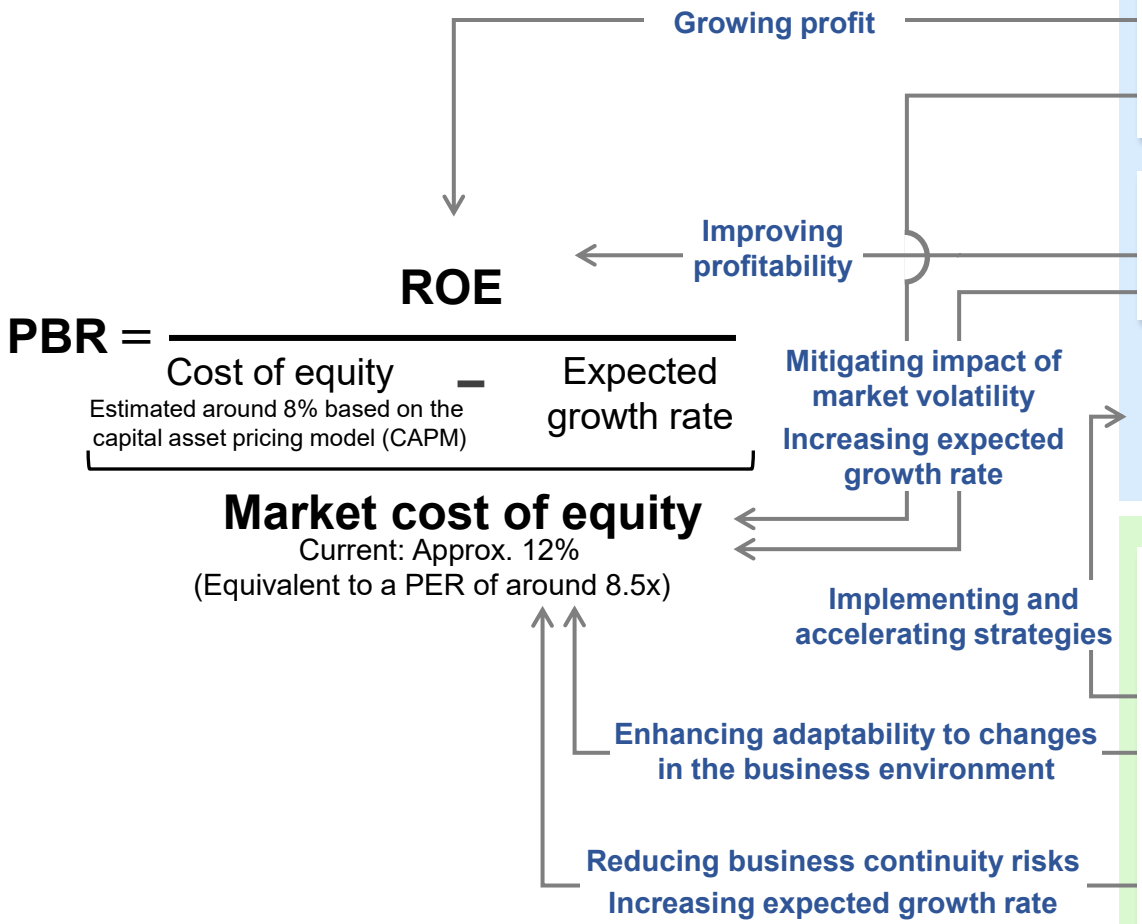
| Subsidiaries | Business | Net Sales FY2026 1st Half | Difference of operating profit from FY2025 1st Half *2 |
|---|---|---|---|
| UBE POLYMERS & CHEMICALS EUROPE S.L.U.*1 | Manufacture and sales of composites, nylon polymers, caprolactam, ammonium sulfate, high-performance coatings and other products | 33.4 | ↓ |
| UBE Chemicals (Asia) Public Company Limited | Manufacture and sales of composites and nylon polymers | 9.7 | ↑ |
| THAI SYNTHETIC RUBBERS COMPANY LIMITED | Manufacture and sales of polybutadiene rubber (synthetic rubber) | 16.9 | ↑ |
| UBE FILM, LTD. | Manufacture and sales of plastic film products | 6.0 | → |
| UBE EXSYMO CO., LTD. | Manufacture and sales of electronic and information communication-related products | 6.3 | → |
| UBE MACHINERY CORPORATION, Ltd. | Manufacture and sales of molding machines, industrial machinery and bridge, etc.<br>After-sales services for molding machines and industrial machinery | 20.1 | ↑ |

* 1 Effective from the second quarter of FY2026, the business operations of UBE CORPORATION EUROPE S.A.U. were transferred to UBE POLYMERS & CHEMICALS EUROPE S.L.U.

* 2 ↑ ↓ represent an increase or decrease of 0.1 billion or more.

# Response to Tokyo Stock Exchange's Request for "Action to Implement Management that is Conscious of Cost of Capital and Stock Price"

UBE Corporation




## Expanding specialty businesses

- Driving steady profit growth by expanding capacity in line with market growth and leveraging strategies such as M&A in peripheral areas
- Strengthening initiatives for creating new businesses in focus domains

## Business restructuring

- Steadily implementing structural reforms for the ammonia, caprolactam, and nylon polymer businesses

✓ **Improving profitability to increase ROE (ROIC)**
✓ **Reducing the cost of equity by shifting to a business portfolio that is less sensitive to market fluctuations and generates lower GHG emissions**

## Practicing sustainability management

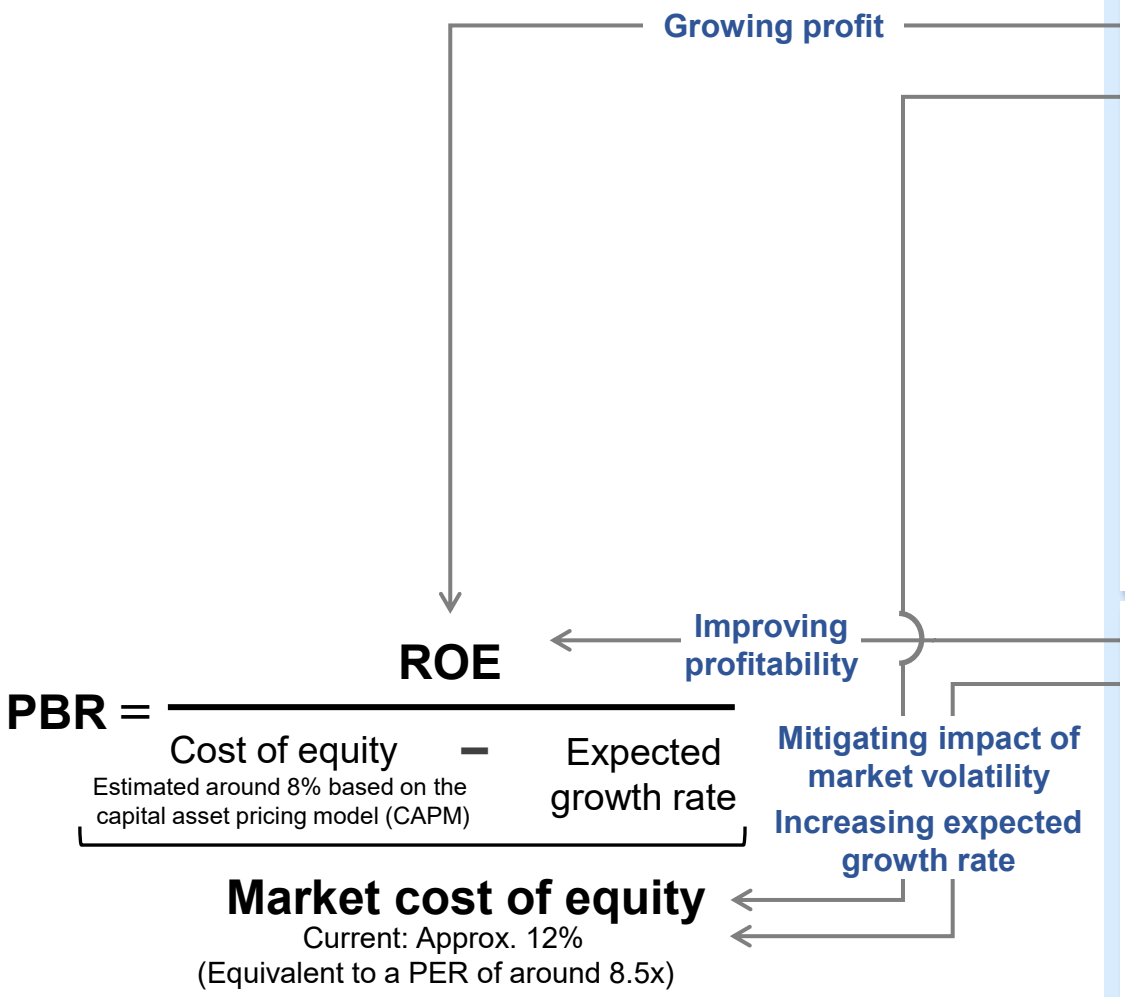
- Empowering women and increasing highly specialized mid-career hires, etc. to increase workplace diversity and foster an innovative culture
- Implementing systematic human resource development to drive the growth of specialty businesses
- Driving greater operational efficiency and sophistication through DX

- Meeting the 2030 GHG emissions reduction target: 50% (vs. FY2013) (On track to achieve)
- Expanding environmentally friendly products and technologies

✓ **Strengthening the management foundation to achieve sustainable growth over the medium to long term**

# Response to Tokyo Stock Exchange's Request for "Action to Implement Management that is Conscious of Cost of Capital and Stock Price"

UBE / UBE Corporation




## Expanding specialty businesses

- Driving steady profit growth by expanding capacity in line with market growth and leveraging strategies such as M&A in peripheral areas
- Strengthening initiatives for creating new businesses in focus domains

| Capital investments and financing | | Capacity | Status |
|---|---|---|---|
| ✓ Polyimide | Film manufacturing facilities | Up 20% | Commercial operation has started in April 2026 |
| ✓ Separation membranes | Hollow-fiber and module manufacturing facilities | Up 80% | Commercial operation has started in November 2025 |
| ✓ Ceramics | Ceramics manufacturing facilities | Up 50% | Commercial operation to start in November–December 2026 |
| ✓ Separators | Separators manufacturing facilities | Up 30% | Customer Certification in progress (Commercial operation scheduled to start in January 2027) |
| | Separators manufacturing facilities | Up 25% | Plant under construction |
| ✓ C1 chemicals | U.S. DMC/EMC plant construction | 100,000 tonnes / 40,000 tonnes | Plant under construction |
| ✓ Urethane systems | Business acquisition | – | Acquired on April 1, 2025 |

## Business restructuring

- Steadily implementing structural reforms for the ammonia, caprolactam, and nylon polymer businesses

| Measures | | Decided Initiatives |
|---|---|---|
| ✓ Thailand | Caprolactam | Production shutdown in March 2026 (finished) |
| | Nylon polymer | Production reduction* in March 2026 (finished)* |
| ✓ Japan | Caprolactam | Production shutdown in March 2027 |
| | Nylon polymer | Production shutdown in March 2027 |
| | Ammonia | Production shutdown in March 2028 |

*Reducing from current two lines to one line

- ✓ **Improving profitability to increase ROE (ROIC)**
- ✓ **Reducing the cost of equity by shifting to a business portfolio that is less sensitive to market fluctuations and generates lower GHG emissions**

# Response to Tokyo Stock Exchange's Request for "Action to Implement Management that is Conscious of Cost of Capital and Stock Price"

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$$PBR = \frac{ROE}{\text{Cost of equity} - \text{Expected growth rate}}$$

**Cost of equity**: Estimated around 8% based on the capital asset pricing model (CAPM)

**Market cost of equity**
Current: Approx. 12%
(Equivalent to a PER of around 8.5x)

**Enhancing adaptability to changes in the business environment**

**Reducing business continuity risks**

**Increasing expected growth rate**

## Practicing sustainability management

- Empowering women and increasing highly specialized mid-career hires, etc. to increase workplace diversity and foster an innovative culture
- Implementing systematic human resource development to drive the growth of specialty businesses
- Driving greater operational efficiency and sophistication through DX

| KPI | FY2025 results | FY2030 Target |
|---|---|---|
| ✓ Percentage of women in the workforce*1 | 17.3% | 25.0% |
| ✓ Percentage of women in management position*1 | 5.5% | 10.0% |
| ✓ Investment in off-the-job training per person*2 | JPY 216,000 | JPY 300,000 |

- Meeting the 2030 GHG emissions reduction target: 50% (vs. FY2013) (On track to achieve)
- Expanding environmentally friendly products and technologies

| KPI | FY2025 results | FY2030 Target | FY2035 Target |
|---|---|---|---|
| ✓ GHG emissions 50% reduction (vs. FY2013) | 32% reduction (3,200 kt-$CO_2$e/y) | 50% reduction*3 (2,370 kt-$CO_2$e/y) | 70% reduction (1,420 kt-$CO_2$e/y) |
| ✓ Percentage of environmentally friendly products and technologies in consolidated net sales | 48% | 60% | —% |

*1 Consolidated basis in Japan *2 Non-consolidated basis
*3 Expecting a 65% reduction (1,660 kt-$CO_2$e/y) in fiscal 2028 due to the shutdown and downsizing of ammonia, caprolactam, and nylon polymer production.

✓ **Strengthening the management foundation to achieve sustainable growth over the medium to long term**

# Reference: Shareholder Returns

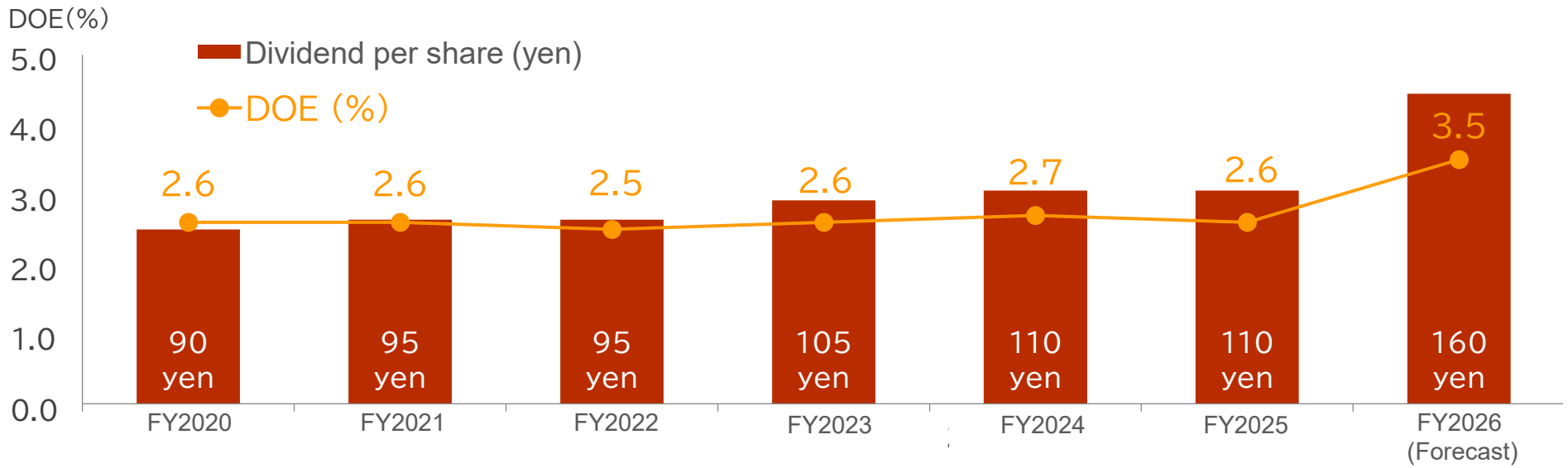
- Maintaining stable dividends as a basic policy, raising the dividend on equity (DOE) to 3.5% or higher from FY2026. Based on the progress of the medium-term management plan, aiming to raise it further to 4.0%.
- Considering share buybacks funded in part by IPO proceeds from the machinery business and cement-related business.

Initial targets set in the medium-term management plan

Dividend on equity: **2.5%** or above
(Aiming for progressive dividends)

FY2026 and beyond

- Dividend on equity: **3.5%** or above
(Aiming for progressive dividends)
- Aim to raise to **4.0%** at an early stage



# Quarterly Factors Causing Fluctuation in Profits/Losses

| Quarter | Segment | Factor |
|---|---|---|
| Q1 | Polymers & Chemicals | Regular maintenance and repairs conducted at the ammonia plant (Ube area) in even-numbered years have a negative impact on operating profit of the Polymers & Chemicals segment. |
| | Company-wide | Regular maintenance and repairs conducted at the private power plant (Ube area) in even-numbered years have a negative impact on the company's operating profit. |
| Latter half of Q2 through Q3 | Polymers & Chemicals | Sales volume of caprolactam, a raw material for nylon, increases due to demand for fall and winter apparel. This has a positive impact on the operating profit of the caprolactam business. |
| Q4 | Polymers & Chemicals | Annual maintenance and repairs conducted at the synthetic rubber plant (Chiba area) have a negative impact on the operating profit of the elastomer business. |
| | Machinery | Sales and profits are recorded mainly in the fourth quarter. This has a positive impact on the operating profit of the molding machines businesses and industrial machines businesses. |

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# UBE Corporation

- Announcement of 3rd Quarter FY2026 Financial Results
  - February 4, 2027　15:30
- 3rd Quarter FY2026 Financial Results Briefing
  - February 4, 2027　18:00 – 18:45

(Note) This schedule is subject to change without notice due to circumstances.

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