

## Progress under UBE Vision 2030 Transformation – 1st Stage, Our Medium-Term Management Plan

This initiative guides our drive to materialize our Vision for 2030. We have positioned three years through fiscal 2024 as a period for reinforcing our earnings base and investing in growth while pressing forward with ongoing business structure reforms to focus on specialty chemicals and address environmental issues.

### Basic Policy and Priority Measures

	Related pages
Pursuing global profit growth driven by specialty chemicals	Pages 24–35
Structural changes in response to global environmental issues	Pages 54–57
Enhancing human capital for sustainable growth	Pages 46–49, 50–53
Enhancing corporate value and creating customer value by promoting DX	Pages 42–45
Further improving governance	Pages 68–75

An adverse business climate prevented us from reaching our targets for fiscal 2022. While the result for the Basic business was particularly below target, we aim to reach our goals for fiscal 2024 by pursuing growth in such specialty business areas as polyimide and separation membranes while improving the profitability of basic businesses.

### Progress of Numerical Targets

		2022		2023		2024 (FY)
		Targets	Results	Targets	Forecasts	Targets
<b>Key Figures</b> <i>(Billions of yen)</i>	Net sales	¥510.0	<b>¥494.7</b>	¥520.0	¥545.0	¥520.0
	Operating profit	34.5	<b>16.3</b>	41.0	30.0	40.0
	Ordinary profit (loss)	31.0	<b>(8.7)</b>	45.0	38.5	47.0
	Profit (loss) attributable to owners of parent	21.0	<b>(7.0)</b>	32.0	27.5	33.0
<b>Key Indicators</b>	ROS	6.8%	<b>3.3%</b>	7.9%	5.5%	8%
	ROE	5.6%	<b>(1.9)%</b>	8.2%	7.4%	8%

### Progress by Segment

Segment	Net sales					Operating profit				
	2022		2023		2024	2022		2023		2024 (FY)
	Targets	Results	Targets	Forecasts	Targets	Targets	Results	Targets	Forecasts	Targets
Specialty Products	¥ 69.0	<b>¥ 62.2</b>	¥ 70.0	¥ 71.5	¥ 75.0	¥13.0	<b>¥10.5</b>	¥12.5	¥12.5	¥13.0
Polymers & Chemicals	302.0	<b>293.4</b>	320.0	313.0	316.0	18.5	<b>2.4</b>	24.0	12.0	22.0
Machinery	106.0	<b>96.9</b>	98.0	108.5	100.0	5.0	<b>5.2</b>	5.5	6.0	6.0
Others	60.0	<b>73.1</b>	57.0	88.5	54.0	2.5	<b>2.6</b>	3.5	3.5	4.0
Adjustment*	(27.0)	<b>(30.8)</b>	(25.0)	(36.5)	(25.0)	(4.5)	<b>(4.5)</b>	(4.5)	(4.0)	(5.0)
<b>Total</b>	<b>¥510.0</b>	<b>¥494.7</b>	<b>¥520.0</b>	<b>¥545.0</b>	<b>¥520.0</b>	<b>¥34.5</b>	<b>¥16.3</b>	<b>¥41.0</b>	<b>¥30.0</b>	<b>¥40.0</b>

\* Adjustment includes elimination of inter-segment transactions.

### Progress by Portfolio Segmentation

Portfolio	Net sales					Operating profit				
	2022		2023		2024	2022		2023		2024 (FY)
	Targets*1	Results	Targets*1	Forecasts	Targets*1	Targets*1	Results	Targets*1	Forecasts	Targets*1
Specialty business	¥143.5	<b>¥138.2</b>	¥149.0	¥165.0	¥162.0	¥23.5	<b>¥18.3</b>	¥24.5	¥20.0	¥24.0
Basic business	238.5	<b>236.9</b>	252.0	252.0	240.0	11.0	<b>(3.2)</b>	16.5	7.0	15.5
Machinery business	106.0	<b>96.9</b>	98.0	108.5	100.0	5.0	<b>5.2</b>	5.5	6.0	6.0
Other businesses (incl. adjustment) *2	22.0	<b>22.8</b>	21.0	19.5	18.0	(5.0)	<b>(4.0)</b>	(5.5)	(3.0)	(5.5)
<b>Total</b>	<b>¥510.0</b>	<b>¥494.7</b>	<b>¥520.0</b>	<b>¥545.0</b>	<b>¥520.0</b>	<b>¥34.5</b>	<b>¥16.3</b>	<b>¥41.0</b>	<b>¥30.0</b>	<b>¥40.0</b>

\*1 The targets announced in May 2022 have been reset by allocating adjustments for internal transactions to each portfolio.

\*2 Adjustment includes elimination of inter-segment transactions.

### Business Portfolio

Business Portfolio Segmentation		Businesses
Specialty business	Aim for further growth and expansion in business that can create added value and achieve high profitability based on the Group's core technologies and strengths in the value chain	<ul style="list-style-type: none"> <li>● Polyimide</li> <li>● Separation membranes</li> <li>● Ceramics</li> <li>● Semiconductor gases</li> <li>● Separators</li> <li>● Composites</li> <li>● Fine chemicals (C1 chemicals)</li> <li>● High-performance coatings</li> <li>● Pharmaceuticals</li> <li>● Phenolic resin</li> </ul>
Basic business	Aim to steadily improve and add to profits	<ul style="list-style-type: none"> <li>● Nylon polymers</li> <li>● Caprolactam, ammonium sulfate</li> <li>● Industrial chemicals</li> <li>● Elastomers</li> <li>● Polyethylene films</li> <li>● Processed resin products</li> </ul>

Others: Sales companies outside Japan, logistics and analytical services, real estate business, machinery, etc.

Note: See pages 24–35 for details on the growth strategies of businesses in blue text.

### Capital Allocation

Allocate cash generated to growth investments, R&D, and shareholder returns

3-year cumulative cash inflows <i>(Billions of yen)</i>	Initial targets in the medium-term management plan	Projected 3-year cumulative total	3-year cumulative cash outflows <i>(Billions of yen)</i>	Initial targets in the medium-term management plan	Projected 3-year cumulative total
Operating cash flow*1	¥182.0	<b>¥145.0</b>	Investments	¥130.0	<b>¥160.0</b>
Sale of assets, etc.	15.0	<b>15.0</b>	R&D	32.0	<b>32.0</b>
Debt financing	0.0	<b>55.0</b>	Debt repayment	12.0	<b>0.0</b>
			Shareholder returns	29.0	<b>29.0</b>
<b>Cash</b> <i>(Billions of yen)</i>			<b>Cash</b> <i>(Billions of yen)</i>		
Cash on March 31, 2022	¥ 35.0	<b>¥ 35.0</b> *2	Cash on March 31, 2025	¥ 29.0	<b>¥ 29.0</b>

**Total available for distribution**  
**¥250.0 billion**

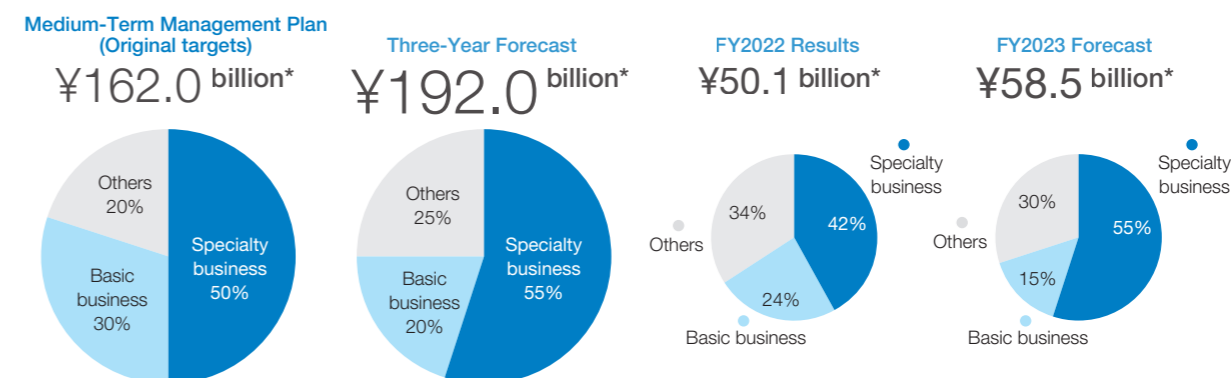
Initial targets in the medium-term management plan  
**¥232.0 billion**

\*1 Operating cash flow before R&D investment

\*2 Excludes the cash and deposits transferred to Mitsubishi UBE Cement Corporation as of April 1, 2022

### Business Resources Allocation Plan by Portfolio Segmentation and Progress

We plan to lift capital expenditures, investments, and loans by ¥30 billion from initial plans, concentrating resources on the Specialty business. The proportion of Others is increasing as we accelerate investments in digitization and other areas.



\* Total capital expenditures, investments and loans (including acquisitions), and R&D expenses

### Key Measures in Fiscal 2022

Business and capacity expansions		Alliances, acquisitions, and business restructuring	
Industrial chemicals	Started boosting high-purity nitric acid plant capacity by 50%	Cement-related business	Mitsubishi UBE Cement started operations
High-performance coatings	Started 4,000-metric tonnes polycarbonate diol production capacity upgrade in Thailand	Phenolic resin	Absorbed Meiwa Plastic Industries
Composites	Began constructing special compounding facilities in Thailand	Pharmaceuticals	Acquired API Corporation
Separation membranes	Started expanding separation membrane production facilities capacity by 80% in Japan	Companywide	Established new company to oversee U.S. business and reorganize Group companies