

Corporate Governance

1. Basic Views on Corporate Governance

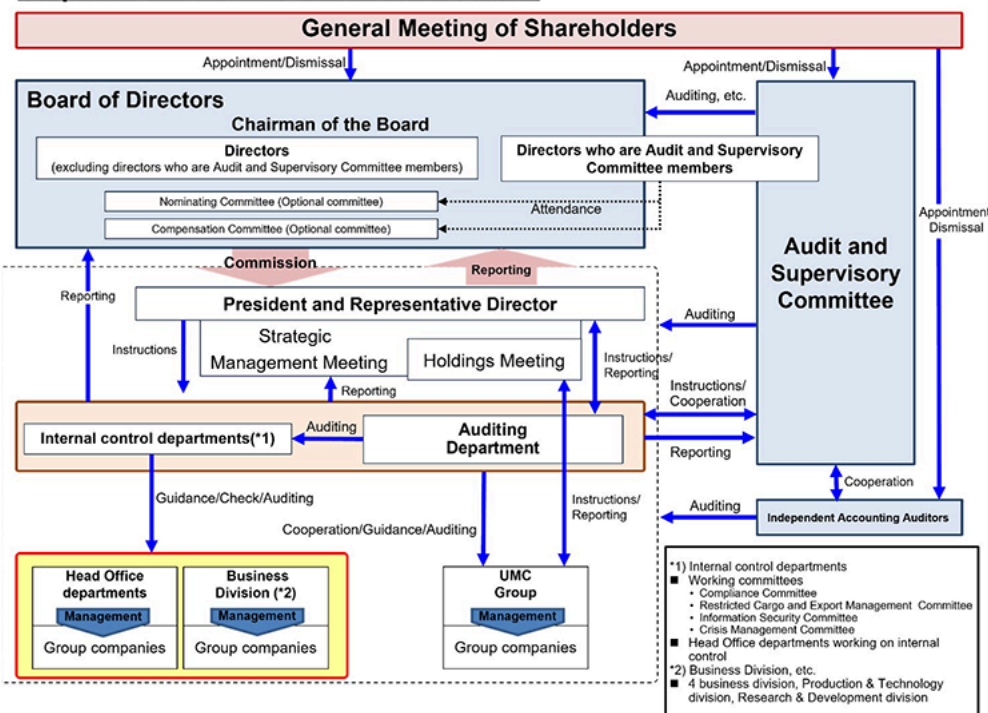
The basic mission of the UBE Group is to secure sustainable growth throughout the Group and enhance corporate value over the medium and long term. To achieve these goals, it is important to establish effective corporate governance to enable the UBE Group to ensure the sustainability of appropriate business activities. Likewise, it is imperative that UBE fulfills 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 accelerate business execution by delegating a part 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.

[Corporate Governance Report](#)

2. Corporate Governance and Internal Control

Corporate Governance and Internal Control



Corporate Governance Report

URL described in the report is as of the date published.

FY2024

- ▶ [Corporate Governance Report \(July 1, 2024\)](#)  (PDF : 1.21MB)

Archives

FY2023

- ▶ [Corporate Governance Report \(January 29, 2024\)](#)  (PDF : 1.74MB)
- ▶ [Corporate Governance Report \(December 22, 2023\)](#)  (PDF : 1.33MB)
- ▶ [Corporate Governance Report \(July 4, 2023\)](#)  (PDF : 1.32MB)

FY2022

- ▶ [Corporate Governance Report \(January 6, 2023\)](#)  (PDF : 1.55MB)
- ▶ [Corporate Governance Report \(October 7, 2022\)](#)  (PDF : 1.56MB)
- ▶ [Corporate Governance Report \(July 11, 2022\)](#)  (PDF : 1.01MB)
- ▶ [Corporate Governance Report \(April 11, 2022\)](#)  (PDF : 828KB)


FY2021

- ▶ [Corporate Governance Report \(December 24, 2021\)](#)  (PDF : 712KB)
- ▶ [Corporate Governance Report \(July 5, 2021\)](#)  (PDF : 696KB)
- ▶ [Corporate Governance Report \(April 1, 2021\)](#)  (PDF : 600KB)


FY2020

- ▶ [Corporate Governance Report \(July 16, 2020\)](#)  (PDF : 720KB)

FY2019

- ▶ [Corporate Governance Report \(August 9, 2019\)](#)  (PDF : 685KB)

FY2018

- ▶ [Corporate Governance Report \(February 5, 2019\)](#)  (PDF : 493KB)


FY2017

- ▶ [Corporate Governance Report \(July 6, 2017\)](#)  (PDF : 319KB)

FY2016

- ▶ [Corporate Governance Report \(July 12, 2016\)](#)  (PDF : 328KB)

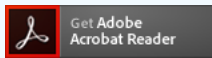
FY2015

- ▶ [Corporate Governance Report \(March 30, 2016\)](#)  (PDF : 326KB)

About the plug-in

You need Adobe® Reader® to view PDF files.

If you do not have Adobe® Reader® on your computer, you can download it from the website of Adobe Systems Incorporated.



Policy on Information Disclosure

1. Basic position for Information Disclosure

UBE group's investor relations (IR) activities are dedicated to earnestly educating equity markets about our management principles, management strategy and business situation. We strive to disclose information in a timely, appropriate and fair manner to increase the transparency of our management, and earn the confidence of equity markets.

UBE group actively engages in mutual communication with parties involved in equity markets, such as shareholders, investors, and securities analysts. These efforts are aimed at closing the recognition gap and receiving feedback for management, with regard to the perception of UBE group and rating in equity markets.

2. Information subject to disclosure

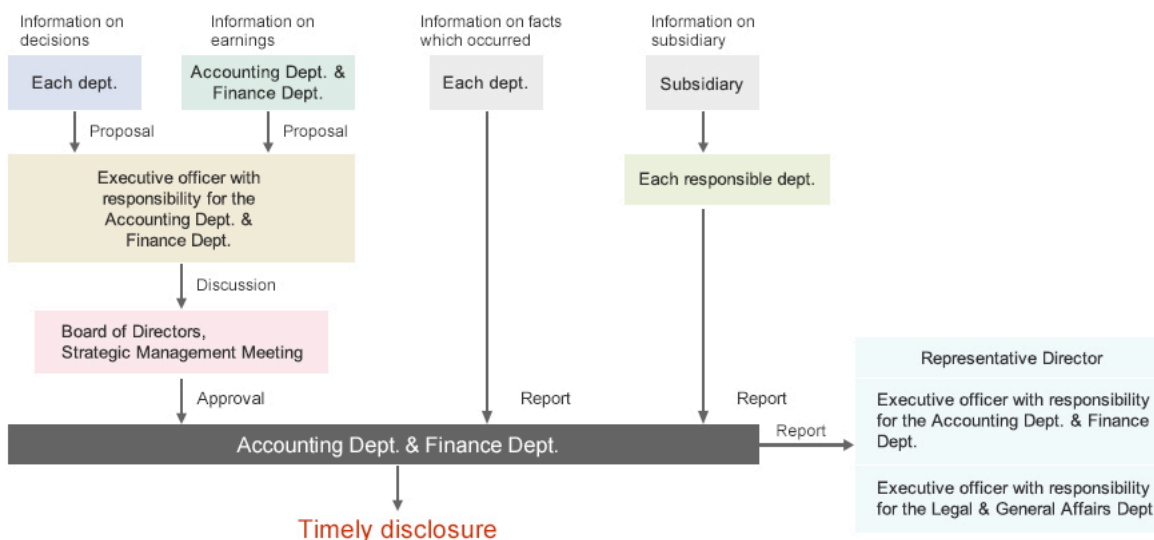
UBE group is committed to achieving compliance with the Financial Instruments and Exchange Act and other related legislation, and discloses important corporate information in accordance with rules for timely disclosure prescribed by the Tokyo Stock Exchange (TSE). Furthermore, we actively and fairly disclose information that we deem to be useful in helping shareholders, investors, and other all stakeholders to understand the Company, even beyond the scope of TSE rules for timely disclosure.

3. Means of Information Disclosure

Information that is designated by TSE rules for timely disclosure is published through TDnet operated by the TSE, and issued to press clubs covering the Tokyo area and Ube region. We endeavor to rapidly publish the information we disclose on our website.

We also strive for fair and broad information disclose through our website and media channels, for information that is beyond the scope of TSE rules for timely disclosure.

4. Framework for Timely Disclosure of Corporate Information



Basic Policy for Establishing Internal Control

1. Securing Appropriate Business Execution by UBE and Group Companies

The basic mission of the UBE Group, comprising UBE and its Group companies, 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 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.

A. Group Management

a. 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 Chemicals segment (Synthetic rubber division, Engineering plastics & Fine chemicals division, Specialty products division, Pharmaceuticals division, Production division and Research & Development division) and internal companies, and determines the allocation of business resources in terms of distributing personnel, material, and financial resources to achieve the objectives of each internal company. In addition, the President and Representative Director endeavors to address important matters of business execution that are beyond the scope of the authority of internal companies.

Furthermore, the President and Representative Director delegates authority to the executive directors and executive officers who report 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.

b. Management of internal companies and business execution

Business resources are allocated to internal companies, guided by the direction agreed with Group management. Internal companies strive to effectively use these resources and execute their business autonomously to achieve their objectives.

c. Group administration

Corporate administrative departments within the UBE Group assist with the formulation of strategies for Group management and management of internal companies. These departments also procure business resources comprising personnel, material, and financial resources, to efficiently serve both the shared and specific needs of business departments.

B. 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, which are each made up of several directors and report to the Board of Directors.

b. Group Strategic Management Meeting

The Group 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 and important matters related to Construction Materials segment and Machinery segment, in accordance with the Group Management Guidelines and the Group Strategic Management Meeting Regulations.

Group Strategic Management Meeting (Environment & Safety) deliberates on and makes decisions about important matters having to do with the security of high pressure gas equipment, etc., serving as the security measures headquarters called for in Japan's High Pressure Gas Safety Act.

c. Chemical Strategic Management Meeting

The Chemical Strategic Management Meeting deliberates and decides on important matters at the Chemicals segment, including business strategy for UBE and its Group companies. These decisions are guided by the Group Management Guidelines and Chemical Strategic Management Meeting Regulations.

d. Company Management Meeting

The Company Management Meeting deliberates and decides on important matters at the internal company level, including business strategy for UBE and its Group companies. These decisions are guided by the Group Management Guidelines and rules of each Operating Committee.

2. Securing Regulatory Compliance and Adherence to the Articles of Incorporation by Directors and Employees Executing Duties at UBE and Group Companies

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 a Restricted Cargo and Export Management 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 Group Companies 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, Group Strategic Management Meeting, Chemical Strategic Management Meeting and Company Management Meeting.

UBE requires directors of its Group companies 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 Group Companies

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, Group Strategic Management Meeting and Chemical Strategic Management Meeting.

As internal structures related to managing the crisis of losses at UBE and Group companies, UBE has established a unified company-wide management system that identifies risks and collects information on likelihood and impact of occurrence and creating a department that engages in integrated management of risk information.

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

A. 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.

B. 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 Group Companies

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 shareholder value from a medium- and long-range perspective, on behalf of the interests of shareholders, concentrates on the supervisory function while delegating the authority to execute important business to the President and Representative Director. UBE has also introduced a system of executive officers, putting in place a system that allows executive officers to concentrate on executing business.

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 shareholder 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.

As written in the first basic policy ("Securing Appropriate Business Execution by UBE and Group Companies"), Group companies as part of the UBE Group will also endeavor to ensure that their directors efficiently execute their duties through Group management and management of internal companies.

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 Group Companies, and Corporate Auditors of Group Companies, 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 Group companies and corporate auditors of the Group companies immediately report to UBE's Audit and Supervisory Committee if they uncover a major legal violation by UBE or a Group company, 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 Group companies 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 Corporate Auditors

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 Group companies, 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 subordinate 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).



copyright © UBE Corporation All Rights Reserved.