

Segment Results Overview

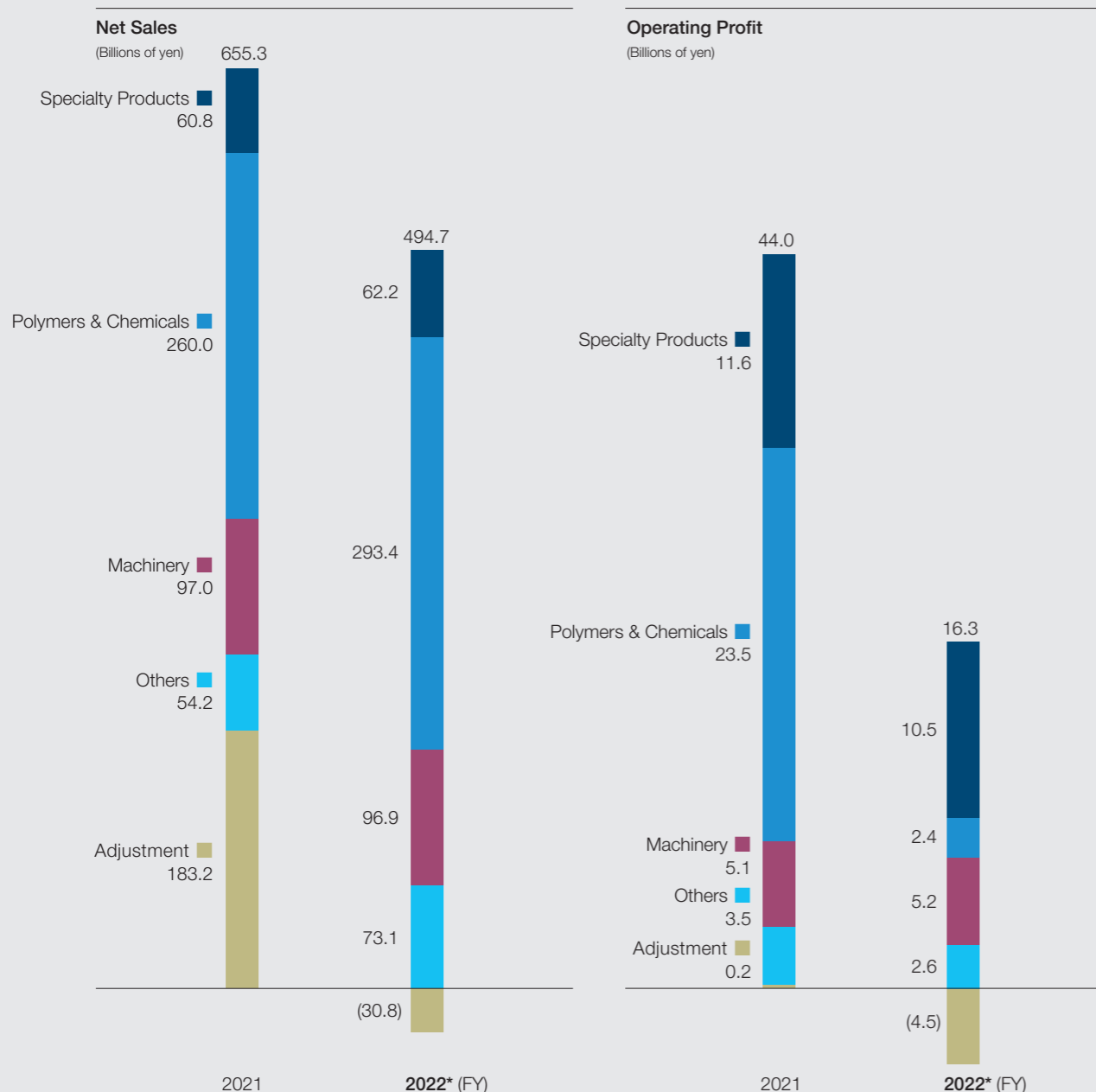
In fiscal 2022, consolidated net sales of the UBE Group decreased, although sales in the Specialty Products Segment remained stable and sales prices in the Polymers & Chemicals Segment rose thanks to strong market prices, the transformation of the cement-related business to an equity-method affiliate significantly affected overall performance.

Operating profit decreased, because rising prices of raw materials and fuel as well as a decrease in sales volume as a result of weak demand had a significant negative impact on the Polymers & Chemicals Segment, in addition to the biennial inspection of the ammonia product factory.

The UBE Group reported ordinary loss, because share of profit of entities accounted for using equity method declined significantly due to the strong impact that the sharp price increase of coal had on the cement-related business, which had transformed to an equity-method affiliate.

Loss attributable to owners of parent was reported despite gain on change in equity due to the separation of the cement-related business, because ordinary loss significantly affected the overall performance.

The graphs on this page show consolidated net sales and operating profit.



Note: In accordance with the integration of the cement-related business into an equity-method affiliate from fiscal 2022, the Company has been reclassified from Chemicals, Construction Materials, Machinery, and Others into the four segments of Specialty Products, Polymers & Chemicals, Machinery, and Others. Pharmaceutical is included in Others. Therefore, the results for fiscal 2021 have also been reclassified into new segment categories for comparison, and Construction Materials is included in Adjustment.

Specialty Products

Fiscal Year	Billions of yen		Change from FY2021
	2021	2022	
Net sales	60.8	62.2	2.3 %
Operating profit	11.6	10.5	(10.0)%

- The Polyimide Business recorded a net sales decrease because of negative impact of inventory adjustments of the COF films for displays, although sales of varnish used on organic EL panels remained stable.
- The Separation Membrane Business recorded an increase in net sales thanks to the continued stable demand for its products, particularly those relating to biogas.
- The Ceramics Business recorded an increase in net sales thanks to strong demand for bearings and products used on substrates.
- The Separators Business recorded a decrease in net sales due to the negative impact of production reduction in the automobile industry that was mainly the result of the shortage of semiconductors.

The Specialty Products Segment as a whole recorded an increase in net sales and a decrease in operating profit. While demand for separation membranes and ceramics remained strong, the performance of the Polyimide Film Business was affected by inventory adjustment, and the Separators Business was negatively influenced by production reduction in the automobile industry.

Polymers & Chemicals

Fiscal Year	Billions of yen		Change from FY2021
	2021	2022	
Net sales	260.0	293.4	12.8 %
Operating profit	23.5	2.4	(89.7)%

Performance Polymers & Chemicals Business

- The Composites Business recorded a sales increase despite being affected by the production reduction in the automobile industry, because of rising sales prices supported by price increases in raw materials such as caprolactam.
- Net sales of the Nylon Polymer Business were almost the same as the previous fiscal year despite sales price increases mainly due to the rising market price of caprolactam, as demand for products such as nylon film for food packaging was weak.
- The Caprolactam & Ammonium Sulfate Business recorded a net sales increase because of a higher sales price as the result of higher market prices for raw materials such as benzene and ammonium.
- The Industrial Chemicals Business recorded a net sales increase despite a decrease in shipment volume due to the biennial inspection of the ammonia product factory. Sales prices of products rose thanks to higher market prices of raw materials.
- The Fine Chemicals Business recorded a sales increase, because sales prices rose due to

rising raw materials prices.

Elastomer Business

- The Elastomer Business recorded an increase in net sales, as sales prices rose thanks to higher market prices of raw materials such as butadiene.

As a whole, net sales increased, but operating profit decreased in the Polymers & Chemicals Segment. While sales prices rose, rising raw materials and fuel prices as well as a decrease in sales volume due to weak demand had a significant negative impact, in addition to the biennial inspection of the ammonia product factory.

Machinery

Fiscal Year	Billions of yen		Change from FY2021
	2021	2022	
Net sales	97.0	96.9	(0.1)%
Operating profit	5.1	5.2	1.7 %

- The Molding Machine Business recorded an increase in net sales, because sales increased as demand from the automobile industry recovered.
- The Industrial Machines Business recorded a decrease in net sales, because a series of big projects to supply conveyors used in the electric power industry were completed.
- The Steel Products Business recorded an increase in net sales due to rising sales prices mainly as a result of rising raw materials prices.

In the Machinery Segment, both net sales and operating profit were almost the same as the previous fiscal year as a whole, because a decrease in net sales in the Industrial Machinery Business was offset mainly by an increase in sales of molding machines and rising sales prices of steel products.

Others

Fiscal Year	Billions of yen		Change from FY2021
	2021	2022	
Net sales	54.2	73.1	34.8 %
Operating profit	3.5	2.6	(25.5)%

- The Pharmaceuticals Business recorded a net sales increase despite a decrease in royalty revenues, mainly because of positive impact by acquisition of a contract development and manufacturing organization (API Corporation) in December 2022.
- The Power Producer Business recorded an increase in net sales, because power supply to the Cement-Related Business was recorded as a gain in sales and prices also rose.

The Others Segment as a whole recorded an increase in net sales and a decrease in operating profit. Although some factors such as the price rise of sold electric power contributed to the overall performance, a decrease in royalty revenues of the Pharmaceuticals Business had a significant negative impact on the overall segment.