



UBE Corporation

2022 Management Overview Briefing

May 19, 2022

Event Summary

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	Masato Izumihara	President and Representative Director, CEO
	Masayuki Fujii	Director, Managing Executive Officer, CFO

Presentation

Izumihara: I am pleased to inform you that we have changed our company name to UBE Corporation since this April. I am Izumihara, President. Thank you for your time today.

It's been three years since last time we had a face-to-face meeting. After two years of being forced to use web format, I am very grateful to finally have the opportunity to explain in person in this way.

Today, I would like to explain our medium-term management plan, which we have just announced, focusing on FY2022 as the first year. Now, since time is limited, I will explain according to the slides.

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Here are the details of today's explanation.

Summary of Previous Medium-Term Management Plan: Achievement of Numerical Targets



- Operating profit fell short of targets on a company-wide basis, but achieved in the chemicals segment.

(Billion yen)

		FY2021	Targets	Difference
Key Figures	Operating profit	44.0	55.0	(11.0)
	Chemicals	35.5	32.0	3.5
	Construction Materials	3.4	16.5	(13.1)
	Machinery	5.1	7.0	(1.9)
	Ordinary profit	41.5	58.0	(16.5)
Key Indicators	Return on sales (ROS)	6.7%	7%	(0.3)%
	Return on equity (ROE)	6.7%	10%	(3.3)%

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First of all, I would like to review the previous medium-term plan.

This is to confirm the degree of achievement of the numerical targets of the previous medium-term plan. Since we are going through the pandemic, we were quite behind from our target value for the total of three years. When we look at the final year of the medium-term plan of FY2021, we have fallen JPY11 billion short of the final year target in terms of operating income.

The breakdown. Looking at the Chemicals segment, the Chemicals Division achieved the mid-term plan target of JPY35.5 billion. All products recovered steadily from the profit and loss in FY2020, which fell sharply due to COVID-19, and both volume and price are firm. We saw profit gains for almost all of the products and recorded JPY35.5 billion which is a record high for the Chemicals Division.

On the other hand, as you all know, Construction Materials division fell far short of its target by JPY13.1 billion due to factors such as sluggish domestic demand for cement and soaring energy costs, including coal.

On the other hand, Machinery business is still in the recovering process from the decline in automobile production caused by the pandemic and other factors, so this business is slightly underachieving.

As can be seen, there are three different results for each division, especially in the chemical and construction materials sectors which are very different as one is bright and the other one is struggling.

1. Strengthening the platform for business growth

Investments and business restructuring were implemented to realize growth, particularly in the chemicals segment

(1) Capacity increases	Polyimide:	BPDA production line (production capacity increased by 60%) and film production line (production capacity increased by 20%) commenced construction
	Separators:	Separator production line in operation (total production capacity of 320 million m ²)
	Pharmaceuticals:	Fifth pharmaceutical plant in operation
	High-performance coatings:	Second PCD production line in operation (+4,000 tonnes; Thailand)
	Synthetic rubber:	Capacity increases (+22,000 tonnes) and new value-added grade production line (both in Malaysia)
(2) Alliances, mergers, acquisitions	Composites:	Acquired Premium Composite Technology North America Inc. (now UBE Engineered Composites, Inc.; USA)
	Machinery:	Chemical equipment business (acquired from Hitachi Plant Mechanics Co., Ltd.)
(3) Business restructuring, etc.	Cement-related businesses:	Integrated with Mitsubishi Materials Corporation and established Mitsubishi UBE Cement Corporation
	Electrolytes:	Integrated with Mitsubishi Chemical Corporation
	Synthetic rubber:	UBE Elastomer Co. Ltd established
	Phenolic resin:	Absorbed Meiwa Plastic Industries, Ltd.
	Injection molding machines:	Fully integrated with UBE MACHINERY CORPORATION, Ltd.

2. Strengthening corporate governance

Transitioned to a company with an Audit & Supervisory Committee, and improved quality management

3. Addressing and being part of the solution for resource, energy, and global environmental issues

Announced the UBE Group Policy for Achieving Carbon Neutrality by 2050, and raised the 2030 interim target

The previous medium-term management plan was operated based on three basic policies. One is to strengthen the platform for business growth, and we have been making investments and implementing business structure reforms to achieve growth, mainly in the Chemicals business. We have increased production capacity for polyimide, separators, pharmaceuticals, and other products shown here.

In terms of alliances and M&A, we have acquired a compounding company in North America and a Chemical Equipment business from Hitachi Plant Mechanics Co., Ltd.

In terms of business restructuring, a major epoch-making event for us was the integration of our Cement-related business with Mitsubishi Materials Corporation, which resulted in the establishment of Mitsubishi UBE Cement Corporation this April. We have also been restructuring our businesses, including the integration of our Electrolyte business, the spin-off of our Synthetic Rubber business, and the incorporation of a subsidiary engaged in phenolic resin, a semiconductor encapsulant, into our main company.

Then, in terms of strengthening governance, we have transitioned to a company with an audit committee in FY2019. In terms of improving quality management, we have also thoroughly addressed the inappropriate actions related to quality inspections that were discovered in 2018 and the measures taken to prevent their recurrence.

Regarding the third issue, our response and contribution to resource, energy, and global environmental issues, we declared our commitment to carbon neutrality by 2050 last year, and we raised our interim target for 2030 last month. I will explain this again later.

- Lower net sales and operating profits expected due to the split off of the cement-related business and higher raw material and fuel prices. Financial position should improve.

(Billion yen)

Item	FY2021	FY2022	Difference
Net sales	655.3	510.0	(145.3)
Operating profit	44.0	34.5	(9.5)
Ordinary profit	41.5	31.0	(10.5)
Profit attributable to owners of parent	24.5	21.0	(3.5)
Interest-bearing liabilities	241.8	180.0	(61.8)
Shareholders' equity	369.1	380.0	10.9
Return on equity (ROE)	6.7%	5.6%	(1.1)%
D/E ratio	0.66 times	0.47 times	(0.19) times
✓ FY2022 assumptions (business factors): Exchange rate at ¥125.0/USD Naphtha at US\$850/tonne (CIF) Australian coal at US\$283.0/tonne (CIF)			

Reference

Equity method investment loss in the Mitsubishi UBE Cement Group	—	(1.0)	—
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I would like to comment a few words about our forecast for the current fiscal year.

In FY2022, we expect both sales and operating income to decline by more than 20% due to the divestiture of Cement-related businesses, higher raw material, and fuel prices. Sales and operating income of the Cement-related business will be removed, and the equity method will be reflected in ordinary income and below.

In addition, this business integration will reduce the amount of interest-bearing debt to be transferred to the newly integrated company, resulting in a better financial structure, including a better debt-to-equity ratio.

FY2022 Earnings Forecast: Net Sales and Operating Profit by Segment



- Sales in the Specialty Products segment expected to remain strong with profits forecast to increase, while profits in the Polymers and Chemicals segment projected to decline due to impact of higher raw material and fuel prices, etc.

(Billion yen)

Segment* ¹	Net sales			Operating profit		
	FY2021	FY2022	Difference	FY2021	FY2022	Difference
Specialty Products	60.8	69.0	8.2	11.6	13.0	1.4
Polymers & Chemicals	260.0	302.0	42.0	23.5	18.5	(5.0)
Machinery	97.0	106.0	9.0	5.1	5.0	(0.1)
Others	53.2	60.0	6.8	3.7	2.5	(1.2)
Adjustment* ²	184.3	(27.0)	(211.3)	0.1	(4.5)	(4.6)
Total	655.3	510.0	(145.3)	44.0	34.5	(9.5)

*1 Beginning in FY2022, the segmentation was changed from Chemicals, Construction Materials, Machinery, and Others to the four segments: Specialty Products, Polymers and Chemicals, Machinery, and Others, with pharmaceuticals included in Others. This change follows the conversion of cement-related business into an equity-method affiliate. FY2021 results are for reference only, after reclassification to the new segments, with Construction Materials included in Adjustment.

*2 Includes elimination of inter-segment transactions.

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The following table shows the breakdown by segment of net sales and operating income for the forecast for FY2022. This is a breakdown in the new segment system. The decrease in sales and operating income of the Cement business will come in the form of adjustments.

The specialty products segment maintained a strong performance and increased profits, but the figures for the polymers and chemicals segment are based on the assumption that the higher costs due to the impact of higher raw material and fuel prices will not all be passed on as in FY2021, and that the situation will become more difficult.

Now that I have finished reviewing the past and the forecast for this fiscal year, I would like to talk about the mid-term business plan.

Founding Principles	
<p>“Coexistence and mutual prosperity”, “From finite mining to infinite industry”</p>	
UBE Corporate Philosophy	Purpose
<p>Pursue technology and embrace innovation to create value for the future and contribute to social progress</p>	<p>Leveraging the manufacturing technologies the UBE Group has cultivated throughout its long history, create the value required by society, in the safe and environmentally friendly manner demanded by society, and deliver that value to the people. And by doing so, help to solve global environmental issues, which have become a common issue for all humankind, and contribute to people’s lives and health, and an enriched future society.</p>

Vision for 2030

A corporate group centered on specialty chemicals that contributes to the global environment, human health, and an enriched future society

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In formulating this medium-term plan, we have discussed the ideal state of our company in 2030, which will become a turning point in various aspects, including carbon neutrality, and we have also discussed our long-term vision toward that goal.

This is the UBE Vision 2030 Transformation. First, I would like to introduce this. In discussing this long-term vision, we returned to our management philosophy and purpose. We have two founding principles in “coexistence and mutual prosperity” and “from finite mining to infinite industry”.

Originally, the phrase, coexistence and mutual prosperity, was rooted in our company's origins, in the idea that corporate development and community development should be viewed as coextensive. We are now redefining it as coexistence and mutual prosperity with all stakeholders, including shareholders, customers, employees, and the environment.

The spirit of, from finite mining to infinite industry, is to make effective use of limited resources, and even when they are gone, to develop them through technological capabilities and entrepreneurship. We see this as a spirit of encouragement for our future efforts to shift to a business structure that is as independent from fossil resources as possible these days.

We discussed our corporate philosophy, which is in a sense a rephrasing of the founding principles in modern terms, and the social significance of our company, reason for existence, and purpose. Based on this, we have clarified our vision for 2030 as a corporate group centered on specialty in chemicals that contributes to the global environment, human health, and a prosperous future society.

■ UBE Group's new business model



Now, I mentioned that our vision for 2030 is to be a corporate group with specialty in chemicals at its core. I would like to talk about the reason.

Considering the growing global awareness of environmental issues and the future energy situation, we believe that it will be difficult for Japan to conduct energy-intensive, cost-competitive, or scale-profitable commodity businesses in the future. We believe that the Japanese manufacturing industry, especially the chemical industry, is more or less moving toward functionality in this sense, and that it has no choice but to shift its axis toward specialty products.

We will also naturally do the same, and we will transform our business structure into a highly profitable specialty chemical company with a low energy load and less susceptible to market fluctuations, in order to grow specialty chemicals in the future. And that, in turn, will contribute to the global environment, as indicated by the circle on the right.

Conversely, providing the world with products and technologies that contribute to this global environment will also lead to the growth of our Specialty Chemical business. These two circles are linked together as if they were two wheels of a car. It is then drawn as an integrated growth strategy. This is our long-term vision and our future business model.

The foundation that supports these two wheels is the S and G of ESG management, and since the "E" part is to be integrated with growth, the "S" and "G" of ESG, human capital, and group governance will provide solid support. Then turn both of these wheels faster, accelerating rotation.

I believe this is our approach to DX and digital transformation.

- The list below clarifies the positioning of UBE's major businesses and products in the chemicals field based on future market growth expectations, the UBE Group's strengths, profitability, and other factors, in addition to UBE's long-term vision. The Company uses this information to make decisions on the allocation of management resources.

Business Portfolio Segmentation	Businesses
<p style="text-align: center;">Specialty business</p> <p>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</p>	<p>Polyimide, separation membranes, ceramics, semiconductor gas, separators, composites, fine chemicals, high-performance coatings, pharmaceuticals, phenolic resin</p>
<p style="text-align: center;">Basic business</p> <p>Aim to steadily improve and add to profits</p>	<p>Nylon polymers, caprolactam, ammonium sulfate, industrial chemicals, elastomers, polyethylene films, processed resin products</p>

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

In order to define what we mean by Specialty businesses, we have divided our business portfolio, particularly our main businesses and products in the chemical field, into two categories in our current medium-term business plan.

One is the Specialty business, and the other is the Basic business, which is shown in bold in this portfolio classification, and this is our definition of Specialty business. We intend to focus our management resources on businesses that generate high profits by creating added value based on our technological capabilities and strengths in the value chain.

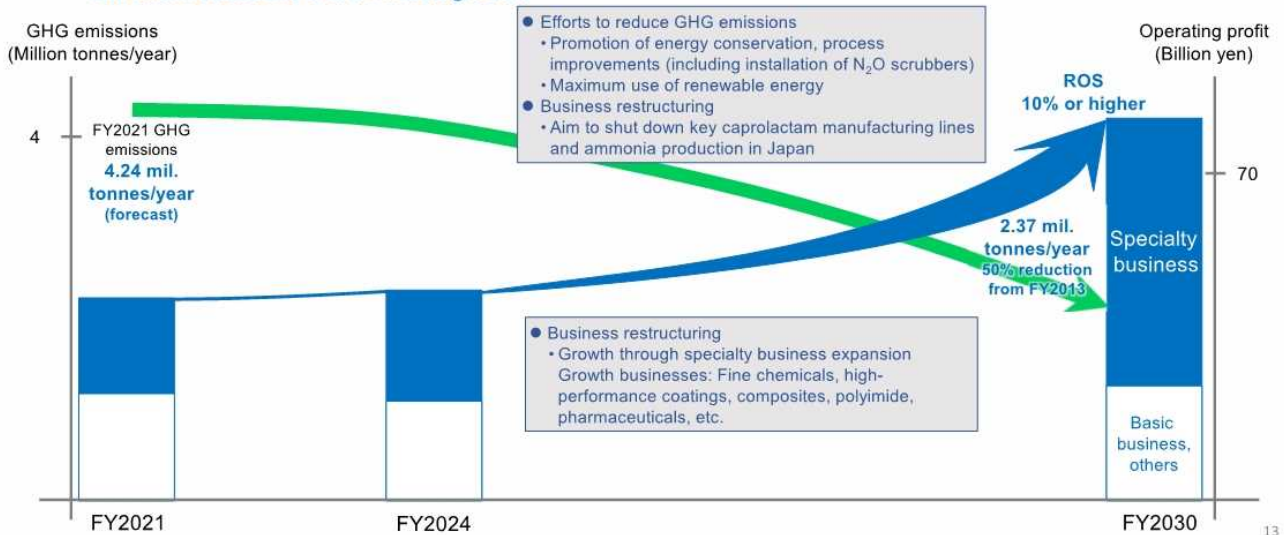
Specifically, they include polyimide, separation membranes, ceramics, semiconductor gases, separators, composites, fine chemicals, high-performance coatings, pharmaceuticals, phenolic resins, and the like.

Social needs	Contribution by UBE's specialty products
Global warming countermeasures Clean energy	Electrified vehicles (xEVs): Separators, DMC for electrolytes (lithium-ion batteries), ceramics (substrates, bearings) Fuel cell vehicles (FCVs): Composite (hydrogen tanks), separation membranes (dehumidifying and humidifying) Biogas: Separation membranes (decarbonation) Wind power generation: Ceramics (bearings) Solar batteries: Polyimide Weight-reducing materials: Composites, Tyranno Fiber Eco-tires: VCR (special elastomer)
Health Food safety	Pharmaceuticals: Drug discovery, contract development and manufacturing organization (CDMO) (APIs and intermediates) Medical devices: Separation membranes (humidifying) Organic solvent reduction: High-performance coatings (paints, adhesives) Food packaging: Nylon copolymers Fertilizers: Large-grain ammonium sulfate
Prosperous future Digitalization	Displays, circuit substrates: Polyimide Semiconductors: Resins for encapsulation materials, high-purity gases, high-purity chemicals

This slide is a chart showing how our specialty products, which we intend to expand in the future, will be linked to our vision for 2030.

In the future, the expansion of our Specialty Products business will be directly linked to the social needs shown on the left, such as the global environment, people's health, and an affluent future society.

- Transform its business structure through aggressive investment in specialty chemicals to achieve both GHG emission reductions and business growth.



This diagram symbolically illustrates how things will change in the future toward our goal of 2030. We call it “Transformation,” but it is about transforming our business structure through aggressive investment in specialty chemicals and achieving both GHG emission reductions and growth.

This green line falling on the right shoulder shows the amount of GHG emissions. As indicated in the box above, we will naturally make steady efforts to reduce GHG emissions by, for example, improving processes to promote energy conservation and maximizing the use of renewable energy, but it is difficult to achieve significant reductions in GHG emissions by these efforts alone.

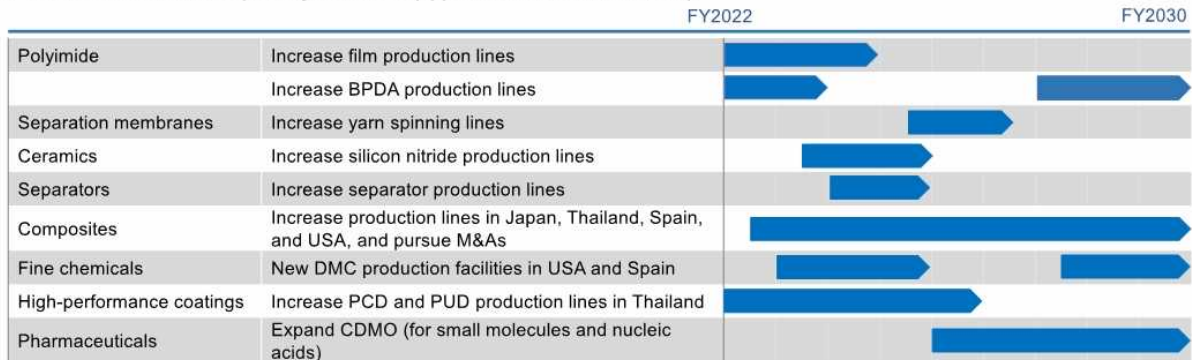
We must reform our business structure, and we will stop the main phase of caprolactam production in Japan by the end of FY2024. Then, by 2030, we will stop domestic production of ammonia. We have made it clear that we aim to achieve these two goals. This will halve GHG emissions in 2030. A 50% reduction is expected to be achieved by this.

On the other hand, this bar graph and the blue arrows indicate that we will expand our Specialty business as part of our business restructuring efforts in order to increase profits. As for businesses in which we plan to increase profits are shown here. We will expand overall profits in FY2030 by strengthening these pillars, especially fine chemicals, high-performance coatings, composites, polyimides, and pharmaceuticals.

And since we have said that we aim to become a specialty chemical company, we will continue to focus on an operating profit margin in excess of 10%, even when the business environment is unfavorable. We would like to achieve an operating profit margin of 10% or more, with approximately 70% of total profits coming from Specialty businesses.

1. Promoting structural changes (transformation)

■ Growth investment in specialty chemicals (approx. ¥150 billion until 2030)



■ Businesses under consideration for downsizing and/or withdrawal

- Caprolactam in Japan: Has a high energy burden and profitability would be difficult to improve even in the medium to long term
→ Will look into reducing production by shutting down production on key manufacturing lines by FY2024
- Ammonia: Has high GHG emissions, and facilities are aging
→ Aim to shut down this business by 2030
→ Meanwhile, will consider procurement of clean ammonia to meet domestic demand

To achieve this goal for 2030, we have set forth four management policies.

One is the promotion of business structure reform, or Transformation, which I have been explaining, and we will make focused investments in businesses that are expected to grow. In terms of growth investment in the Specialty business, we will invest about JPY150 billion by 2030, and this does not include the cost of maintenance and renewal for the Specialty business. We would like to invest approximately JPY150 billion in purely growth investments such as capacity expansion or new construction.

Therefore, we do not want to invest a large amount of money in GHG reductions and such, but rather in investments for growth. The contents are the products written here and the timeline is indicated by the arrows on the right side of this page. We will continue to make such investments, especially during this midterm period.

On the other hand, one of the businesses that we are considering downsizing or withdrawing from is the domestic caprolactam business, as I mentioned earlier. This is because the energy load is high, and it seems difficult to improve profitability in the medium to long term. We are going to discuss specifically about stopping major phases of domestic facilities and reducing production by FY2024.

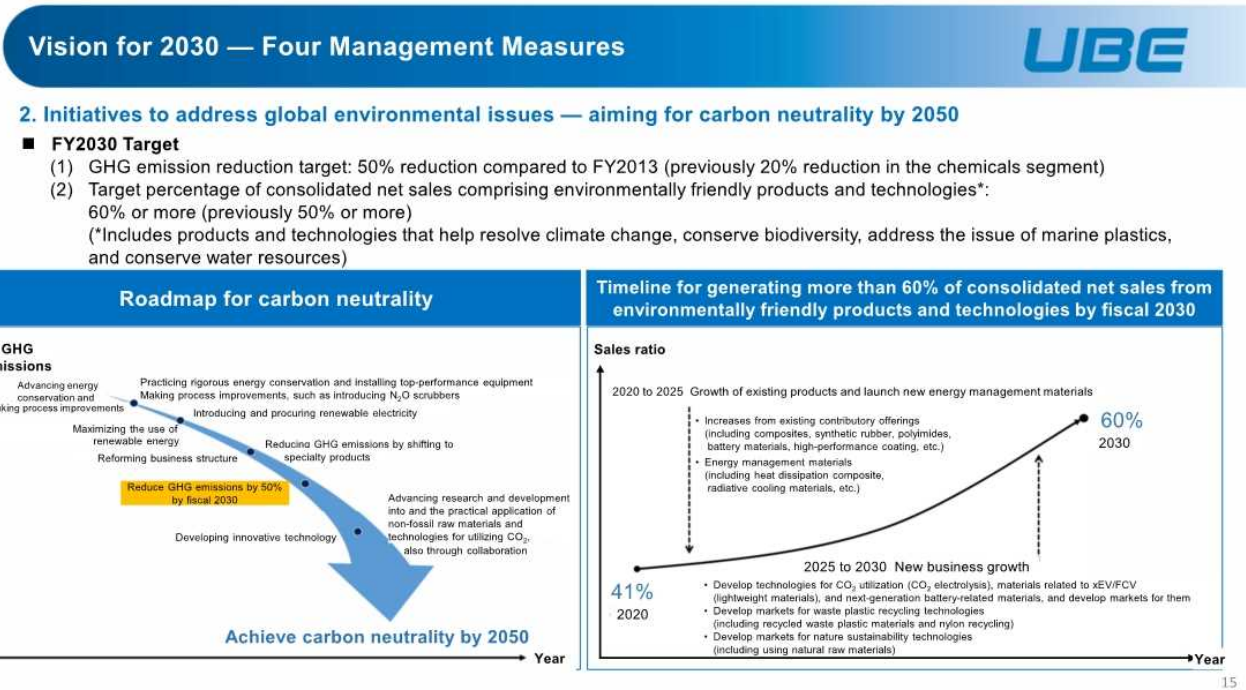
In the Ammonia business, our ammonia is produced by gasification of petroleum coke, which emits more GHGs than ammonia made from natural gas, for example. It is more than twice as much as other manufacturing methods.

The facility will deteriorate in the future. The gasification facility alone is nearly 40 years old, and the synthesis facility is more than 50 years old. Maintenance or large-scale renewal of the facility will cost a great deal of money in the future. If this is the case, you may wonder if we can rebuild the facility using LNG for example

but considering future expansion in a manner appropriate to the scale of the economy, the investment will still be in the JPY100 billion range. I am wondering if it is not realistic to make such an investment in our country.

In addition, the introduction of carbon pricing, or rather a carbon tax, is also highly anticipated in the future. We are aiming to stop the operation by 2030, taking all these factors into consideration. Of course, this is not a final decision, and we would like to finalize it as the time approaches and as we see the situation from time to time, although we don't have much time left. We will clearly set out such a direction at this stage and work out the details in the future.

On the other hand, as an ammonia supplier, we would like to work with other companies and trading companies to procure clean ammonia in order to meet domestic demand as well as to consider our own downstream business development.



In conjunction with this business structure reform, we have already announced our mid-term target for 2030, aiming to be carbon neutral by 2050, in April.

We have raised our mid-term target for 2030, and our GHG emission reduction target, previously stated as a 20% reduction in the chemical sector, but we believe we can achieve 50% reduction by incorporating the results of structural reforms, as I explained earlier. In addition, as I explained earlier, our sales target for environmentally friendly products and technologies has been 50% or more, and we believe that the growth of our Specialty business will enable us to increase this target by an additional 10%.

3. Enhancing human capital

■ **Address diversity and inclusion as a top priority issue**

- **Making it a driver for global business expansion and creation of new value by creating innovation through the integration of diverse technologies, knowledge, and perspectives**

Initiatives: Providing greater opportunities for women, hiring highly specialized mid-career and non-Japanese recruits, boosting motivation of rehired retirees, energizing organizations, respecting human rights, managing health, and creating motivating workplaces

4. Promoting digital transformation (DX)

■ **Improve labor productivity, achieve more sophisticated utilization of accumulated data, and develop human resources to promote these enhancements**

■ **Further strengthen ability to provide solutions to customers using digital data and technologies, and create new value by reforming business processes through co-creation with customers**

- (1) Shift to a business structure focused on specialty chemicals
- (2) Initiatives to address global environmental issues
- (3) Higher work engagement

} Promoting achievement through sophisticated digital platforms

These are the other two measures to achieve the goal of 2030.

One is the enhancement of human capital, and we would like to position diversity and inclusion as a top priority. As a specialty chemical company, we believe that there is a limit to what we can do as a monoculture company in order to foster an innovative corporate culture in the future. I believe that ensuring diversity is an essential to the competitiveness of [our] company.

In addition, we will promote DX or digital transformation, which includes human resource development, such as improving labor productivity and enhancing the utilization of accumulated data. I would like to explain later what we will be doing in the next three years as an action plan for the next three years.

1. Pursuing global profit growth driven by specialty chemicals**(1) Specialty business expansion**

- Focusing investment of management resources to drive further growth and expansion: Increasing production lines for polyimide film and BPDA (Japan), and establishing a new DMC plant (USA)
- Expanding bases outside Japan: Composites (USA and Thailand), high-performance coatings (PCD and PUD; Thailand)
- Driving growth through M&A as well

(2) Strengthening the profitability of basic business

- Securing stable cash flow and steady earnings growth: Fully utilizing facility capacity through safe and stable production
- Strengthening cost competitiveness further: Clarifying target costs and monitoring progress
- Expanding high value-added grades, and developing and launching environmentally friendly products (shift to specialty chemicals): Nylon copolymers, large-grain ammonium sulfate, high-purity nitric acid, VCR, etc.

2. Structural changes in response to global environmental issues**(1) Structural change of the caprolactam chain in Japan**

- Establishing a globally optimized production system, shifting production of nylon polymers outside of Japan
- Looking at decreasing production of caprolactam in Japan by shutting down production on key manufacturing lines, due to its high energy burden and uncertainty about improvement in medium- to long-term profitability

(2) Reducing GHG Emissions

- Continuing initiatives on energy conservation and process improvements in production activities, as well as maximizing the use of renewable energy sources

(3) Creating and expanding the provision of environmentally friendly products and technologies

The current medium-term management plan is an action plan for the current three years back-cast by the long-term vision described above. The plan is titled UBE Vision 2030 Transformation - First Stage. We have five basic policies. All policies are in line with our long-term vision.

First, we will pursue profitable growth on a global basis, centering on specialty chemicals. We will focus on investing management resources in this way to expand our Specialty business. To be more specific, we are currently working to expand our facilities for polyimide film and raw materials, which are already under construction. In the future, we would like to materialize the establishment of a new DMC plant, especially in the US which will include DMC and EMC as well.

In addition, we will expand our overseas bases by adding composite lines in the US and Thailand. In Thailand in particular, we will begin construction of the third phase of facilities for high-performance coating PCD, and we are also planning to build a new PUD facility to accommodate demand in Asia. We also would like to continue to make active use of M&A and other opportunities.

On the other hand, to strengthen the profitability of our Basic business, we would like to fully utilize the capacity of our facilities through safe and stable production to ensure stable cash flow. Since we are a manufacturer, cost reduction and cost down are the eternal theme. To expand high value-added grade, we would like to shift our Basic business into a Specialty business, as it were a specialty shift, like copolymer for nylon, large grain for ammonium sulfate, and VCR for synthetic rubber, for example.

The second is business structure reforms to address global environmental issues, which I have been explaining for some time now, and which integrate business structure reforms and global environmental issues. First of all, as I explained earlier about the next three years, in terms of structural reform of the domestic caprolactam chain, we will transfer the production of copolymer in Japan to Thailand in order to optimize the global

production of nylon. And for domestic caprolactams, as I mentioned earlier, we will work out the details for this production cutback in FY2024, the cessation of production of the main phase system.

The other is the reduction of GHG emissions, and the creation of environmentally friendly products and technologies. These are the things I have been explaining to you earlier, and we are going to make steady progress on what we need to do over the next three years to reach our goal for FY2030.

Basic Policy and Priority Measures (2)



3. Enhancing human capital for sustainable growth

Promoting diversity and inclusion and also striving to improve work engagement throughout the entire Group

(1) Providing greater opportunities for women

Percentage of women in the workforce: 15%
Percentage of women in management positions: 6%
(Indicators for fiscal 2024, on a consolidated basis in Japan)

**(2) Percentage of mid-career recruitment in the workforce (generalist positions): 25% or more,
percentage of non-Japanese recruitment in the workforce (generalist positions): 5% or more (same as above)**

(3) Introducing specialist system, hiring highly specialized mid-career recruits, and enhancing measures for rehired retirees

(4) Creating motivating workplaces and increasing employee satisfaction

4. Enhancing corporate value and creating customer value by promoting DX

(1) Developing digital technology-savvy human resources

(2) Improving operational efficiency and productivity through the use of digital technology

(3) Accelerating the creation of new customer value and new businesses

5. Further improving governance

(1) Improving the level of group governance

(2) Machinery business, cement-related business: Developing and operating a governance system as a holding company

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And then, there is human capital. I mentioned diversity and inclusion, which means that the entire Group will work to improve work engagement.

One is the promotion of women's activities, which we consider to be the first and foremost in diversity and inclusion. The percentage of women in the chemical industry is low, and we are no exception. As stated here, we have set numerical targets for the ratios of female employees and female managers, and are steadily working to achieve them. We would also like to steadily work toward these numerical targets for the ratio of mid-career hires, foreign hires, and so on.

Then there is DX promotion. If our weapon is old, we will not beat competition. So, on the manufacturing side, we have been working to create smart factories. On the R&D side, we have been working on Velocity R&D to speed up R&D, and on the digitalization of marketing and management, etc. In April this year, we established a dedicated organization, the DX Promotion Office. This will be our company-wide focus to work on.

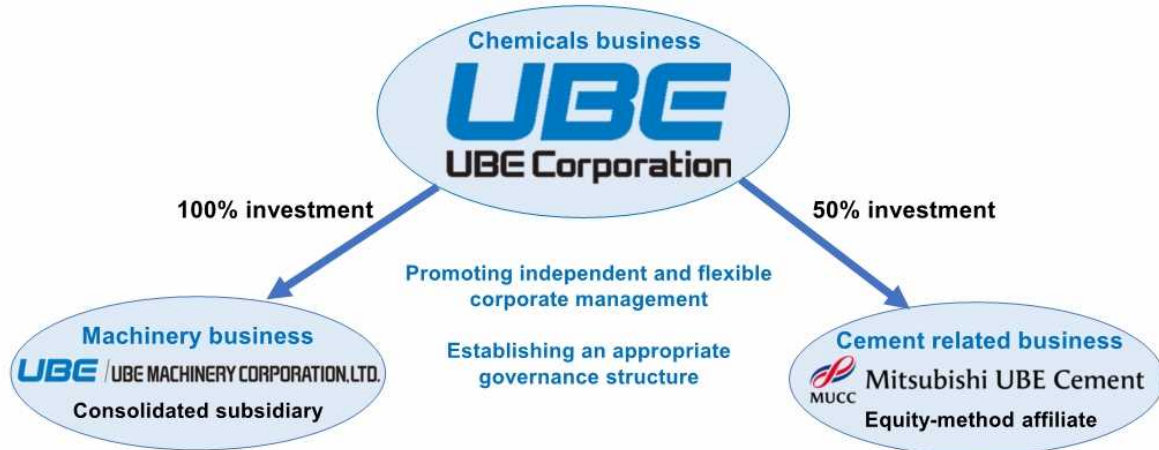
In addition, to further improve governance, we would like to develop and operate a governance structure as a holding company, especially for the horizontal management of the Group, or for Machinery- and Cement-related businesses.

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Positioning and Governance Structure of Machinery and Cement-Related Businesses

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- Each business will practice independent management to establish a presence for that business, and UBE will fulfill its governance responsibilities as a shareholder.



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This chart shows the positioning and governance structure of the Machinery- and Cement-related businesses.

In the future, the main company will operate as a Chemical business company, and UBE will fulfill governance of the Machinery and Cement businesses under its umbrella as a shareholder, so to speak, operating as a Chemical business holding company. By doing so, we hope to maximize the value of each business by promoting autonomous and agile corporate management.

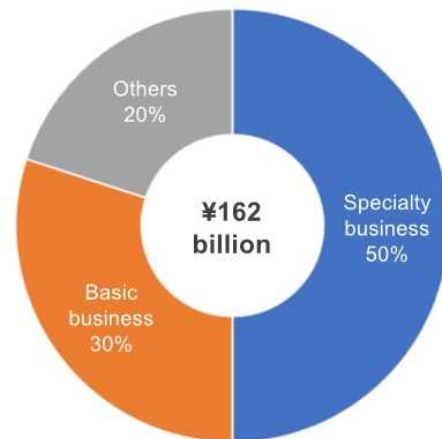
Investments and R&D Expenditure by Business Portfolio Segmentation and Cash Flow Plan

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- UBE will accelerate the shift to the specialty business on a global basis, advance restructuring, and plan aggressive investment for further growth in the future.

*Figures in parentheses are results from the previous medium-term management plan (excluding cement-related business).

Investments over three years:	¥130 billion (¥76.1 billion)
Capital investment	→ ¥110 billion (¥69.4 billion)
Other investment (including M&A)	→ ¥20 billion (¥6.7 billion)
R&D expenditure over three years:	¥32 billion (¥31.2 billion)
Total	¥162 billion (¥107.3 billion)



*Machinery segment is included in Others

■ Three-Year Cash Flow Plan

Operating cash flow:	¥150 billion (¥113.7 billion)
Investment cash flow:	-¥115 billion (-¥76.7 billion)
Free cash flow:	¥35 billion (¥37.0 billion)

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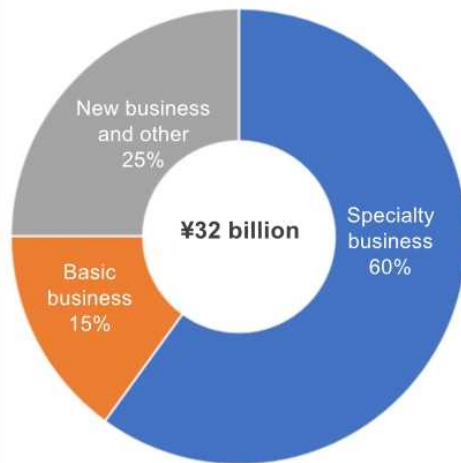
Next, here is the investment of management resources for the next three years. The following table shows plans for capital expenditures, investments and loans, research and development expenses and cash flow.

In order to accelerate the specialization of our Chemical business globally, we are planning to make aggressive investments for further growth. Capital investment and loans for the three-year period total will be JPY130 billion, and research and development expenses for the three-year period total will be JPY32 billion, for the total of JPY162 billion. This is about one and a half times more than in the previous three years of the medium-term plan, excluding Cement.

As shown in the pie chart, we would like to invest about half of this JPY162 billion in the Specialty business.

However, even in such a situation, cash flow and free cash flow are expected to be positive in accordance with the previous medium-term plan.

- Strengthen the competitiveness of the specialty chemicals and create new businesses by creating even stronger technologies through the integration of external technologies with UBE's core technologies.
- Establish a strong intellectual property network to help strengthen and expand the specialty chemicals.



R&D projects for new business creation

<p>CO₂ and waste plastic utilization</p> <ul style="list-style-type: none"> • CO₂ utilization (CO₂ electrolysis) • Waste plastic utilization (hydrothermal reaction, waste carpet melt-kneading) 	<p>Environmental sustainability</p> <ul style="list-style-type: none"> • Bioplastics (biomass-derived polymers, silk proteins) • Physical antimicrobial materials • Aquaculture feed additives • Insect feed • Moisture absorbent for extracting water from the atmosphere
<p>Energy management</p> <ul style="list-style-type: none"> • Heat-dissipating composite materials • Radiative cooling materials 	<p>Life sciences</p> <ul style="list-style-type: none"> • Utilization of cell propagation technology

Regarding research and development expenses, we have stated here that we are integrating core and external technologies. Our core technologies include unique molecule and material design technologies and functional enhancement technologies, as well as the fundamental technologies that support these technologies, such as organic synthesis and polymerization catalyst technologies.

However, we realize that it is difficult to innovate only by doing so. We would like to promote collaboration with external technologies, such as academia, venture companies, and other companies, to create even stronger technologies to support our Specialty business. To do so, we would like to move forward aggressively and conservatively, setting it as an intellectual property management strategy.

We have established four priority areas for new business creation, including CO₂ and Waste Plastic Utilization, Environmental Sustainability, Energy Management, and Life Sciences. We are going to focus these area as four priority areas and create new businesses.

■ Key Figures

Operating profit	¥40 billion Of which, specialty business: ¥24 billion
Ordinary profit	¥47 billion Of which, ¥8 billion* factored in as equity method investment profit of the Mitsubishi UBE Cement Group

*Provisional figure assumed prior to launch of the Mitsubishi UBE Cement Group

■ Key Indicators

Return on sales (ROS)	8%
Return on equity (ROE)	8%

This is the numerical target for the final year.

Operating income of JPY40 billion. We would like to make 60% of it from the Specialty business, which will ultimately be 70% in 2030 as I mentioned earlier, but 60% in three years.

Also, we would like to become a company that can maintain ROS and ROE at 8% each as management indices. I mentioned earlier that we would like to keep them above 10% even when the business environment is bad but we would like to set a goal of 8% for this triennium.

Company-Wide Profit/Loss Projections



■ Aim for record profit attributable to owners of parent in FY2024

(Billion yen)

Item	FY2021 Results (1)	FY2022 Targets	FY2023 Targets	FY2024 Targets (2)	Difference (2) – (1)
Net sales	655.3	510.0	520.0	520.0	(135.3)
Operating profit	44.0	34.5	41.0	40.0	(4.0)
Ordinary profit	41.5	31.0	45.0	47.0	5.5
Profit attributable to owners of parent	24.5	21.0	32.0	33.0	8.5

✓ FY2023 and FY2024 assumptions (business factors)
Exchange rate at ¥120/USD Naphtha at US\$850/tonne (CIF) Australian coal at US\$280/tonne (CIF)

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Next is the P&L plan for the entire Company.

Unfortunately, even excluding the impact of the spin-off of the Cement business and other factors over the past three years, sales and operating income have not grown significantly.

Even so, we hope to achieve a record high net income base in FY2024.

Net Sales and Operating Profit by Portfolio Segmentation



(Billion yen)

		FY2021 Results (1)	FY2022 Targets	FY2023 Targets	FY2024 Targets (2)	Difference (2) – (1)
Net sales	Specialty business	123.1	149.0	154.0	167.0	43.9
	Basic business	239.7	268.0	279.0	267.0	27.3
	Machinery business	97.0	106.0	98.0	100.0	3.0
	Other businesses (incl. adjustment)	195.5*	(13.0)	(11.0)	(14.0)	(209.5)
	Total	655.3	510.0	520.0	520.0	(135.3)
Operating profit	Specialty business	20.7	24.5	24.5	24.0	3.3
	Basic business	17.8	11.0	16.5	15.5	(2.3)
	Machinery business	5.1	5.0	5.5	6.0	0.9
	Other businesses (incl. adjustment)	0.3*	(6.0)	(5.5)	(5.5)	(5.8)
	Total	44.0	34.5	41.0	40.0	(4.0)

*Other (incl. adjustment) in FY2021 includes cement-related business transferred to Mitsubishi UBE Cement Group.

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This means sales and operating income by portfolio.

Regarding basic business market conditions, as you can see from the operating income of the Basic business, we expect operating income in the Basic business to decrease, based on the assumption that the strength of the business will not continue as it was in FY2021. However, we expect a certain amount of increase in the Specialty business.

However, we would like to position these three years as a period to solidify the foundation for the next three years, as we will have to bear the burden of depreciation due to increased capital investment during these three years.

We would also like to create a level of operating income that will enable us to steadily maintain the record high of FY2021, which was the highest ever achieved by the Chemicals Division.

Specialty Business: Polyimide Strategy



- Contributing to the market and expanding earnings through product development in response to changes in the external environment

Immediate Business Conditions

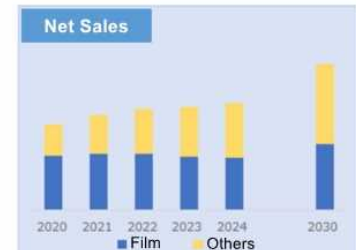
- Strong demand for chip-on-film (COF) for displays
- Growing market for varnishes for flexible OLEDs, especially for smartphones

Summary of Previous Medium-Term Management Plan

- Developed varnishes into a core product in addition to films
- Increased sales for displays, solar cells, and composite release liners, in addition to the application for electronic circuit substrates
- Increased production capacity for raw material BPDA and varnishes

Strategies of Current Medium-Term Management Plan

- Expand the business of varnishes for flexible OLEDs (maintain de facto standard)
- Launch new development themes and set development themes in line with changes in the external environment
 - New varnishes (varnishes for next generation displays, batteries, etc.)
 - New films (5G compatible film)
- Steady implementation of investment plan for production expansion, vertical start-up, and stable operation
 - BPDA manufacturing facilities: Anticipated to go into operation in the second half of FY2023
 - Film manufacturing facilities: Anticipated to go into operation in the second half of FY2024



Examples of polyimide film: Has highest heat resistance among resins

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Now, I would like to talk a little about individual division strategies, but since time is limited, I would like to comment on each business one by one.

First is the Specialty business.

Regarding our strategy for polyimide, even under the current business environment and the pandemic, the Polyimide business and digital-related demand are strong, and we believe that stable business expansion is expected in the future.

During the previous mid-term plan period, varnishes, in addition to films, grew to become a mainstay product. In addition to film for COF, this varnish is for backplanes. In particular, we have maintained a de facto standard position in varnishes for flexible OLEDs, and we intend to maintain in the future.

In addition, we have the strength to develop an Integrated Polyimide business from raw materials to varnishes, films, powders, and other products. We will continue to expand future revenue sources by broadening the scope of our business, including new varnishes and films. During the next three years, we will steadily finish the production increase plan that we have already started, and we will work on the BPDA of raw materials and the vertical start-up of film facilities.

■ Expanding business and strengthening product competitiveness based on the environment and energy field

Immediate Business Conditions

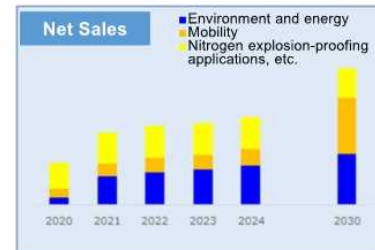
- Biomethane market expanding from Europe and North America to the entire world, driven by environmental and energy policies
- Increasing demand for innovative technologies for gas separation membranes to contribute to carbon neutrality through decarbonization, effective CO₂ utilization, and renewable energy use

Summary of Previous Medium-Term Management Plan

- Developed the biomethane market and grew into one of the pillars of UBE's business
- Nitrogen explosion-proofing applications for aircraft and in resources sector: Demand is on a recovery trend after temporary decline due to the COVID-19 pandemic

Strategies of Current Medium-Term Management Plan

- Concentrate management resources on expanding business revenues in the environment and energy field, especially CO₂ separation membranes for biomethane
- Adapt to fuel cell vehicles, hydrogen, and other technologies demanded by a green society
- Promote DX at production sites to increase production capacity, stabilize quality, and enhance product appeal



Gases are separated by a polyimide hollow membrane mounted inside a container. Products include CO₂ separation membranes for biomethane, nitrogen separation membranes for explosion proofing, and dehumidifying membranes for railroads and instrumentation.

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Next, I would like to talk about the Separation Membrane business.

As shown in the current business environment, the market for gas separation membranes for biomethane is expanding rapidly, especially in European countries, against the backdrop of environmental and energy policies.

During the previous mid-term plan period, demand for nitrogen separation membranes, especially for use in aircraft and explosion-proofing of natural resources, declined due to the pandemic, but this was largely covered by gas separation membranes for biomethane.

We will continue to focus our management resources on CO₂ separation membranes for biomethane as one of our priority expansion businesses in the new medium-term business plan.

In addition, with the recent rise in environmental issues, we believe that we are required to develop technologies for fuel cell vehicles, including both dehumidifying and humidifying membranes, as well as hydrogen separation membranes, which are required by a clean and green society.

In the Separation Membrane business, we will be able to increase capacity steadily without particularly large investments through DX promotion and smart factories, and we hope to accelerate growth by capturing demand.

- Expanding sales in the xEV market, where demand is expected to continue to grow, and pushing the development of applications other than for xEVs

Immediate Business Conditions

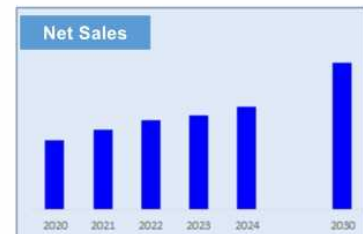
- A global trend toward building a decarbonized society is accelerating electrification, particularly of automobiles.
- xEV market is expected to grow as countries set specific electrification goals.
- Growing global demand for batteries is intensifying competition among battery manufacturers, leading to greater demand for increased production capacity and further cost reductions in components.

Summary of Previous Medium-Term Management Plan

- Acquired promising projects, mainly for hybrid electric vehicles (HEVs), but failed to reach full production capacity, including on new manufacturing facilities installed in FY2020, due to the COVID-19 pandemic and other factors
- Developed low-resistance separators required by customers, and establishing differentiated technology in terms of quality, such as foreign matter control

Strategies of Current Medium-Term Management Plan

- Expand sales in both automotive and non-automotive applications
 - Automotive: Maintain a high market share in the HEV market and secure a certain share in the battery electric vehicle (BEV) market
 - Non-automotive: Target areas where the characteristics of dry-type separators can be utilized, such as for high-power electric tools
- Make further cost reductions
- Improve quality satisfaction to fulfill increasingly sophisticated customer performance requirements



Separators separate the cathode and anode in lithium-ion batteries to prevent abnormal heat generation due to short circuits.

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Next, the Separator business.

In the Separator business, demand for separators is steadily expanding in the EV market. However, as mentioned in the current business environment, competition among battery manufacturers is intensifying and demand for cost reduction of components is increasing.

We have secured a large share in the hybrid vehicles market by taking advantage of the features of our dry separators. However, our latest facility, the so-called 13th stage facility, is not yet in full operation due to recent production cuts by automobile companies and other factors.

Volume is increasing however, and we still have capacity. As stated in the strategy section below, we will first maintain a high market share in the automotive and HEV markets and secure a share in the battery EV market by focusing on target areas and customers to some extent, to increase volume.

In addition, there are areas where the characteristics of the dry type can be utilized, such as for high-power power tools in non-vehicle applications, and we would like to expand our business in line with the growing demand in our target areas, and in a sense, with the profits we generate.

■ Aiming to become a solution provider with a global presence as a composite materials manufacturer using various engineering plastics

Immediate Business Conditions

- Although demand had been on a recovery trend, current market growth is slowing down due to the impact of automobile production cutbacks caused by the shortage of semiconductors and other factors since summer 2021. There are also supply chain disruptions in the European market due to the worsening situation in Ukraine.

Summary of Previous Medium-Term Management Plan

- Strengthened global structure by acquiring Premium Composite Technology North America Inc. (USA, now UBE Engineered Composites, Inc.) in April 2020 following the acquisition of REPOL in Europe in March 2019
- Strengthened development functions by consolidating composite development bases into the Osaka Research & Development Center
- Established production system outside Japan for hydrogen tank liners, tank valve application grades and non-reinforced special grades

Strategies of Current Medium-Term Management Plan

- Push further specialization through the development of new composite fields, including resins other than nylon.
- Accelerate global development of existing value-added products: Expand tank liners and other non-reinforced products (new production lines in USA and Thailand)
- Expand specialty nylon elastomer business
- Develop environmentally friendly products: Material recycling (recycling-oriented business), market launch of composite products using bio-derived materials
- Strengthen technical capabilities through M&A and alliances, expand sales channels, and consider business expansion, including downstream development



Example of nylon composite application: UBE's nylon composite used in high-pressure hydrogen tank liners for Toyota's MIRAI fuel cell vehicle. The high performance required by automotive components is achieved with engineering plastic composites.

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This is the strategy for the Composites business. In response to the growing need for lighter weight cars and EVs, we acquired Repol, a compounding company in Europe, followed by the acquisition of a compounding company in the US in the previous medium-term management plan, and have established a global supply system. They are going to contribute to revenues and profits from now on.

Those acquired companies are brought into full force through Group collaboration. As for our strategy during this medium-term management plan period, I said including resins other than nylon. This means that we would like to strengthen our role as a solution provider by developing new composite fields, including other engineering plastics, without being limited to nylon.

And for tank liners and other non-reinforced composites, we are planning to build new lines in the US and Thailand, as I explained earlier. In addition, we would like to expand our Composite business as one of the pillars of our specialization, especially by expanding our Specialty Nylon Elastomer business, such as the nylon 12 series.

■ Accelerate international expansion of C1 chemical chain and expand specialty products for sustainable growth

Immediate Business Conditions

- Demand for all products is generally strong, especially for high-purity DMC, which is growing worldwide with the spread of xEVs.
- Internal consumption of diol is growing for environmentally friendly downstream products (PCD, PUD).
- The Company implements price increases to reflect higher raw material, fuel, and logistics costs in product prices.

Summary of Previous Medium-Term Management Plan

- Selected candidate sites and conducted feasibility study for production bases for C1 chemical chain (DMC, EMC, PCD) in USA
- Established a joint venture for 100,000 tonnes of high-purity DMC in Shaanxi Province, China

Strategies of Current Medium-Term Management Plan

- Accelerate international expansion and sustainable growth of the C1 chemical chain: Promote local production for local consumption by establishing DMC production bases in China, USA, and Europe

Investment Plan

China: Complete construction of a 100,000-tonne plant for high-purity DMC in Shaanxi Province, China (to go into operation in 2023 to 2024)

United States: Complete and implement construction plan for new DMC/EMC plant (to go into operation in 2025 to 2026)

Europe: Construct new DMC plant. Consider DMC production from green carbon monoxide (2025 or later)

- Increase production of high-purity catechol for semiconductor applications



DMC manufacturing facility (Japan)

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Next, Fine Chemicals business.

In terms of the Fine Chemicals business, the biggest challenge for growth is still DMC or dimethyl carbonate. It is also used as a raw material for electrolytes for automotive lithium-ion batteries, for which demand is growing, and for PCD, a raw material for high-performance coating materials, for which we plan to expand our business in the future. Our major challenge is to expand the C1 chemical chain starting from DMC to overseas markets.

As mentioned in the strategy section at the bottom, we would like to establish DMC production bases in China, the US, and Europe, and promote local production for local consumption.

As for specific investment plans, we have already established a joint venture with a local company in China. We are currently constructing a 100,000-ton high-purity DMC facility, which will be operational from 2023 to 2024 to meet the already strong local demand for electrolytes.

In the US, we are planning to build a 100,000-ton DMC and a new facility including EMC. A site has been selected and narrowed down, so we will move on for designing, and aim to start operating from FY2025 to FY2026.

As for Europe, this will be in the future, but we are currently working on FS for more environmentally friendly DMC production, as it seems likely that we will be able to secure green CO. We would like to promote this as well, thereby advancing our strategy of local production for local consumption.

■ Promote further business expansion globally as an environmentally friendly product

Immediate Business Conditions

- Demand for automotive applications slowed partly due to the impact of COVID-19, but the shift to environmentally friendly products continued, as demand for water-based and solventless paints increased due to stricter VOC regulations, etc., especially in China.

Summary of Previous Medium-Term Management Plan

- PCD: Completed second manufacturing facility for PCD in Thailand, and achieved high operating rate through increased sales in the Asian region
Expanded sales volume to North and Central America despite delays in increasing sales in some volume zones
- PUD: Made progress building a marketing framework in Asia; To accelerate increased sales in the Chinese market, began establishing a technical service base in Shanghai, which will be fully operational in FY2022
Increased sales volume by 160% compared to the previous medium-term management plan
- Oxetane: Began mass production of oxetane at Thai plant
Increased sales in Asia for 3D printer applications

Strategies of Current Medium-Term Management Plan

- PCD: Increase sales in the Asian region with capacity increase from third manufacturing facility in Thailand (to go into operation in 2023).
Continue to expand sales in North and Central American markets
- PUD: Establish PUD manufacturing facility in Thailand (to go into operation in 2024), commercialize tin-free and solventless grades, and accelerate sales in the Chinese market by fully utilizing the Shanghai lab
- Oxetane: Expand global marketing channels and build light/heat and other curing systems for 3D printers



PCD plant in Thailand: Second manufacturing facility went into operation in October 2020, increasing production capacity to 8,000 tonnes per year.

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This strategy is about high-performance coating materials.

As described in the current business environment, regulations on VOCs, volatile organic solvents, is being strengthened, particularly in China. Against this backdrop, demand for water-based or solvent-free paints, or eco-friendly paints, so to speak, is increasing, and the shift toward environmental responsiveness is continuing.

We have already completed the second phase of the PCD facility in Thailand during the previous mid-term plan period. This was in fully operation even under the pandemic, so as stated in the strategy for this mid-term period at the bottom, the decision has already been made to expand three phases of PCD facilities in Thailand. We will proceed with the project with the aim of starting operation in 2023. We will also continue to expand our PUD facilities in Thailand with the aim of starting operation in 2024.

At the same time, we are currently establishing a technical service base in Shanghai to accelerate sales expansion, especially in the Chinese market. We call the base Shanghai lab, and we would like to accelerate our sales as a solution provider in this way.

■ **Build a stable profit structure and create a foundation for growth with the addition of value-added areas through new drug discovery and technologies**

Immediate Business Conditions

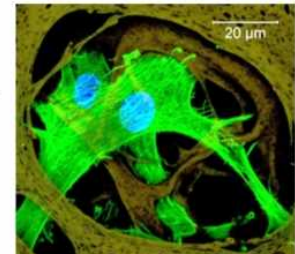
- While small molecule drugs are growing moderately, new modalities such as nucleic acids and biopharmaceuticals are driving the market.
- Diversification of pharmaceuticals is accelerating further, and competition is intensifying in all areas of drug discovery research, development, and manufacturing.

Summary of Previous Medium-Term Management Plan

- Signed co-development agreements with pharmaceutical manufacturers and other parties on multiple drug discovery themes
- Completed fifth pharmaceutical plant and began contract manufacturing of high potency APIs
- Completed a framework for the development of new modalities by introducing nucleic acid synthesis technology, etc.

Strategies of Current Medium-Term Management Plan

- Drug discovery research
Improve the probability of market launch and out-licensing through progress in small molecule drug discovery technologies and diversification of alliance formats
- Examine new business areas in the life science field
Establish a cell culture system using polyimide porous membranes
- CDMO
Strengthen earnings base through new plant construction and reorganization, M&A, alliances, etc.
Establish position as a manufacturer of nucleic acid APIs
Start studying next-generation factory (automation) using ICT



Human fibroblasts in a polyimide porous membrane

Cell culture systems are a focus in the life science field. UBE will build a cell culture system that takes advantage of the features of polyimide porous membranes.

This is about the Pharmaceutical business.

As I mentioned earlier, our Pharmaceutical business contributes to people's health, and as I indicated earlier in our vision for 2030, we view this business as a Specialty business that will continue to grow steadily and secure profits in the future because it is less susceptible to economic trends.

Our strategy is to expand drug discovery research and API manufacturing, and CDMO as two wheels of a cart. We would like to continue to improve the probability of launching or out-licensing drug discovery research, aiming to out-license one drug per year if possible.

On the other hand, as for CDMO, a fifth pharmaceutical plant was completed during the previous mid-term plan period. This has led to the start of production of high potency APIs and investigational drugs, and it is likely that requests for such investigational drugs will increase rapidly in the near future as pharmaceutical companies resume clinical trials, which have been stagnant.

We will need to reinforce our production capacity in future so we will continue to consider the establishment and reorganization of new factories and M&A to strengthen our business foundation.

■ Strengthening UBE's unshakeable position as a top supplier in the extrusion field by introducing environmentally friendly products

Immediate Business Conditions

- Demand for extrusion applications, including food packaging films, is generally strong.
- Three production bases in Japan, Thailand, and Spain continue to record high operating rates and sell out of production.
- The Company implements price increases to reflect higher raw material and fuel in product prices.

Summary of Previous Medium-Term Management Plan

- Demand remained firm, especially in the Chinese market, despite the price impact of caprolactam market fluctuations
- Made progress in meeting new demand for LiB exterior film and other products, but development of recycled products, biopolymers, and other environmentally friendly products is still in process

Strategies of Current Medium-Term Management Plan

- Expand high value-added grades such as nylon copolymers
 - Optimize nylon polymerization system in Asia
 - Thailand: Secure start-up of nylon copolymers transferred from Japan
 - Japan: Downsize nylon 6 polymerizing capacity
 - Develop environmentally friendly products
 - Establish a pilot plant in Spain to support development of bio-based polymers (construction to begin in FY2022)
 - Develop products that contribute to the 3R Initiative,* such as thinner films
- *Aims for the construction of a sound material-cycle society through the three "R's" (reducing waste, reusing and recycling resources and products).



Food packaging film, an example of a nylon polymer application. Low oxygen permeability makes it suitable for food packaging.

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I would like to touch briefly about the Basic business.

As for nylon polymers, we will further strengthen high value-added grades for food packaging in the future, especially copolymers, to maintain our position as a leading extrusion manufacturer and to shift to specialty nylon products.

Basic Business: Caprolactam and Ammonium Sulfate Strategy Industrial Chemicals Strategy



■ Caprolactam and ammonium sulfate: Strengthen unified operation of nylon polymer, caprolactam, and ammonium sulfate businesses, and promote high value-added ammonium sulfate

Immediate Business Conditions

- Demand for caprolactam remains stable and the spread with its main raw material benzene staying firm
- Demand for ammonium sulfate firm overall; Soaring raw material prices due to China's export restrictions on urea, etc., and the worsening situation in Ukraine causing selling prices to rise

Summary of Previous Medium-Term Management Plan

- Caprolactam spreads deteriorated more than expected in 2019–20, but recovered in 2021 as the economy recovered from the COVID-19 pandemic
- Increased production of large-grain ammonium sulfate; UBE's share of the Japanese market increased due to supply concerns for imported nitrogen fertilizers

Strategies of Current Medium-Term Management Plan

- Caprolactam: Consider reducing the scale of production in Japan in FY2024 in line with the reorganization of nylon production lines. Also, reduce the risk of profit fluctuations due to market conditions by reducing external sales volume.
- Ammonium sulfate: While competitors in Japan are expected to reduce production, UBE will push development and sales expansion of value-added grades as well as increase production of large-grain products. Increase production of large grain products in Spain in FY2024, and import Thai products to Japan to maintain and expand market share.
- GHG reduction: Make investments in Thailand and Spain to reduce N_2O , NOx , etc.

■ Industrial chemicals: Aim to cease operations of the ammonia plant by 2030, and grow specialty businesses that are expected to expand, such as the high-purity nitric acid business

Immediate Business Conditions

- Ammonia prices rising due to soaring natural gas prices; tight supply and demand conditions continuing due to reduced supply to the market as the situation in Ukraine worsens
- High growth continuing in the market for high-purity nitric acid used in semiconductor applications

Summary of Previous Medium-Term Management Plan

- Captured demand after other companies withdrew from ammonia-related business
- Addressed operational problems associated with aging facilities

Strategies of Current Medium-Term Management Plan

- Improve the optimization plan for the industrial chemicals business following the shutdown of the ammonia plant by 2030
- Enhance production capacity of high-purity nitric acid plant
 - Increase capacity to meet growing demand in the expanding semiconductor market
 - Expand the high-purity nitric acid business by optimizing the nitric acid chain
- Look into and promote procurement of clean ammonia

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Next, Caprolactam, ammonium sulfate, and industrial chemicals.

I have already mentioned about reforming the business structure of Caprolactam and Industrial Chemicals.

I would like to mention one thing about ammonium sulfate. We are going to increase our earnings base by producing larger grains of ammonium sulfate, especially overseas, which is also a specialty shift of ammonium sulfate. Of course, we will continue our caprolactam business overseas. We will invest in the environment, and we will also promote the conversion to large-grain ammonium sulfate, which will also strengthen cost competitiveness there.

To increase food production and reduce the burden on the soil environment, we believe that there will be an increasing need for large-grain ammonium sulfate and other types of fertilizers that can be used as a coating material, and we will continue to implement these measures.

■ Speed up decision-making and implementation of measures through integration of manufacturing, marketing, and engineering, and focus on specialty products

Immediate Business Conditions

- Soaring raw material prices and ongoing logistics stagnation
- Deteriorating situation in Ukraine impacting synthetic rubber supply-demand balance
- Drop in demand due to lockdowns in China, etc.

Summary of Previous Medium-Term Management Plan

- Split off (established UBE Elastomer Co. Ltd.)
- Expanded production capacity (Thailand: 72,000 to 75,000 tonnes in Nov. 2020, Malaysia: 50,000 to 72,000 tonnes in Dec. 2021)
- Expanded VCR production facilities (three sites in Chiba, Thailand, and Malaysia)

Strategies of Current Medium-Term Management Plan

- Safe and stable production
 - Respond to accident and rebuild the Malaysian site
 - Ensure commitment to safety first and reap the benefits of expanded facilities
- Process and quality improvement
 - Raise productivity and quality through process improvement
- Focus on specialty products
 - Develop and increase sales of high value-added grades
- Global business development
 - Strengthen inter-site cooperation

Manufacturing Site	Start of Operation	Manufacturing Capacity (Thousand tonnes/year)
Chiba	1971	126
Thailand	1997	72 → 75
Malaysia	2015	50 → 72
China	2009	72
Total		320 → 345



Synthetic rubber (VCR/BR): UBE's mainstay products, mainly for automotive tire applications

I would like to say a few words about the Elastomer business.

In October last year, we spun off our Synthetic Rubber and Elastomer business into a new company called UBE Elastomer. Through this, we would like to further deepen cooperation between manufacturing, sales, and engineering, and aim for efficient and profitable operations that can respond flexibly and as one to sudden changes in demand or volatile fluctuations in raw material butadiene.

We will promote the specialization of our business by expanding sales of VCR, a special grade for eco-friendly tires, which I have already explained.

In this presentation material, one of the strategies for the period of this medium-term management plan is the response to the accident at the Malaysian site and the rebuilding of it. The Malaysian site, which is a 50-50 joint venture with Lotte, has finally gotten on track with production, and has increased capacity with newly installed VCR facilities, which finally went into operation at the end of last year.

Unfortunately, in February of this year, there was an explosion and fire in the intermediate product tank. Some of long delivery date product has been ritually delayed, and at this point we have not yet determined when the operation will resume.

We would like to minimize the impact on this project through global collaboration, including Thailand and Japan in particular.

1. Long-term vision: Pursue greater business value by strengthening earnings base while increasing independence and competitiveness

Vision: Benefit customers by supplying products and services with brand appeal

2. Basic policies of the Medium-Term Management Plan

- Aim to improve the profitability of the product businesses by capturing the globally expanding market needs, such as the shift to xEVs and carbon neutrality, and also aim to expand the servicing business by enhancing solutions-based offerings and providing support for third-party products
- Strengthen the corporate governance system and establish an independent business operation system as a machinery group

3. Business portfolio

- (1) Business aimed at increasing revenues: Servicing (molding machines and industrial machines)
- (2) Business to maintain stable earnings: Industrial machines (products) and steel products
- (3) Business aimed at earnings recovery through business restructuring: Molding machines (products)



emIII Series: Large injection molding machine with energy-saving performance that contributes to carbon neutrality and reduces environmental impact by using water-soluble paints

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This is about the Machinery business.

The long-term vision is to increase independence of the Company and to strengthen the revenue base in accordance with the characteristics of the business, and the goal is to benefit customers by supplying products and services with brand appeal.

Two major issues remain unchanged: one is the expansion of the Service business, and the other is the development of environmentally-friendly products.

In order to improve profitability from product sales in the Product business, we will develop products that meet future market needs, such as the electrification of automobiles and carbon neutrality, and we will expand our Service business as a proposal base by offering preventive maintenance and other services not only for our products but also for the products of other companies.

■ **Molding machines: Create new products in response to shift to xEVs**

Immediate Business Conditions

- Automotive markets: Amid production cuts due to the COVID-19 pandemic, the shift to xEVs is becoming a global trend.

Summary of Previous Medium-Term Management Plan

- Developed products and processes to reduce the weight of automotive parts
- Reviewed injection molding machine lineup to strengthen competitiveness
- Expanded servicing business revenues by enhancing preventive maintenance and upgrade offerings for facilities and functions

Strategies of Current Medium-Term Management Plan

- Launch appealing products that are compatible with the shift to xEVs
- Roll out competitively priced products for global markets such as in North America and Asia
- Make investments to expand sales to the Chinese market
- Further advance digital transformation (DX) of servicing business

■ **Industrial machines: Expand business by developing products and processes for the renewable energy and product recycling markets**

Immediate Business Conditions

- Demand for coal-fired power generation (independent power producer; IPP) facilities is peaking out, while demand from conversion to biomass power generation is increasing.
- Demand for products to help achieve carbon neutrality is increasing, including offshore wind power equipment, ammonia fuel-related equipment, biomass fuel-related equipment for storage, transport, pulverization, etc.

Summary of Previous Medium-Term Management Plan

- Developed models compatible with resource recycling and started exploring expansion of alliances
- Conducted searches for creation of successor business to coal-fired power plants

Strategies of Current Medium-Term Management Plan

- Capture demand for biomass handling for power plants
- Enter the offshore wind power and fuel ammonia equipment markets with large structure manufacturing technology
- Strengthen alliances that benefit business expansion in large structure manufacturing for offshore wind power plants

There are molding machines and industrial machines. In terms of molding machines, our strategy for this medium-term business plan is to launch products that are particularly suited to the EV or electric vehicle market, such as molding machines for battery cases, for example.

For industrial machines, we would like to target large structural products, such as biomass handling equipment for power plants, offshore wind power generation, and fuel ammonia equipment.

In the Service business, we believe that DX is an area where we can make the most of, so we will also be strengthening our Service business.

- **Aiming to be a global company with the industry's highest level of efficiency and profitability, and leading the industry by taking the initiative in tackling environmental changes such as pursuit of carbon neutrality**

Strengthening the foundation of the Japanese cement business and contributing to a circular economy

- Maximize synergies by improving efficiency throughout the value chain, such as by optimizing the production framework and restructuring the sales and distribution system, including the downstream ready-mixed concrete business
- Contribute to the development of social infrastructure and a circular economy.

Investing in growth drivers

- Direct the management resources generated from the cement business in Japan toward concentrated investment in businesses that are anticipated to generate future growth in and outside of Japan. This includes overseas cement and ready-mix concrete business and high-performance inorganic materials business based on high-quality limestone.

Addressing global environmental issues

- Establish a roadmap and implement measures to achieve carbon neutrality by 2050 as a new company

Formulating a new medium-term management plan as a new company



Masato Izumihara (left), president of UBE, and Naoki Ono (right), president of Mitsubishi Materials, at a press conference (September 2020)

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I would like to touch a little bit on the Cement business, Mitsubishi UBE Cement.

In April, the second largest domestic cement manufacturing and sales company was established. Mitsubishi UBE Cement's future goals are to become a global company that boasts industry-leading efficiency and profitability, and to lead the industry by taking the initiative in addressing environmental changes, such as becoming carbon neutral.

First, to strengthen our business foundation and realize the benefits of the integration, we will work to optimize our production system and rebuild our sales and distribution system, including the Ready-Mixed Concrete business in the downstream area, but our biggest challenge is price revision and price increase. We are launching a price increase of JPY2,200. We are working diligently on this, starting in April, first with JPY1,000, and the remainder starting in October, and we hope to bring this forward as much as possible to improve our earnings.

I also believe that this integration has enabled us to envision new growth. We will also carefully consider the growth strategy for the Overseas Cement and Ready-Mixed Concrete business brought to us by Mitsubishi, especially in the US, as well as the High-Performance Inorganic Materials business brought to us by our company. Then, as a new company, we will formulate a roadmap to achieve carbon neutrality by 2050 in the future. Since this is an industry that emits a large amount of process-origin CO₂ emissions, this is something that we as an integrated new company will work hard to address.

Thus, now that the integration has finally been achieved and we are no longer bound by competition laws, we can finally openly disclose information about each other. Therefore, we will formulate a medium-term management plan for the new company to realize synergies as soon as possible, and to establish a roadmap toward carbon neutrality as soon as possible.

Shareholder Returns



- Aiming to further enhance shareholder value in the future based on a basic policy of continuing to pay consistent dividends while investing aggressively for growth

Dividend on equity (DOE) 2.5% or above
 Consolidated total return ratio 30% or higher (average over three years)



Notes:

1. UBE conducted a consolidation of shares by consolidating every 10 shares into one share effective October 1, 2017. The dividend per share for FY2016 has been converted based on the shares after the share consolidation.
2. The Company implemented share repurchase programs of ¥5 billion in FY2016 and ¥10 billion in FY2018 and FY2020.

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Finally, I would like to briefly comment on the subject of shareholder returns. While our basic policy is to invest aggressively in growth and maintain stable dividends, we intend to further enhance shareholder returns in the future in conjunction with improved business performance.

We have two indicators: dividend on equity or DOE of 2.5% or more, and consolidated total return ratio of 30% or more, averaged over a three-year period. We would also like to consider flexible share buybacks etc., while keeping an eye on market trends and business performance.

For FY2021, we have decided to increase the dividend to JPY95 per share from the previous forecast of JPY90 per share, with particular attention to DOE, and this will be discussed at the general meeting in June.

Under similar circumstances, we expect to increase the dividend by another JPY5 for FY2022, resulting in a dividend of JPY100.

That is all I have to say. Thank you for your attention.

Question & Answer

Moderator : We will now take questions. Please raise your hand if you have any questions.

Questioner A : Thank you for your explanation. Also, congratulations on the inauguration of Mitsubishi UBE Cement. I have high hopes for your new company.

First, I think that this medium-term plan clearly expresses the idea of specializing in specialties, but I did not expect that you mentioned the suspension of caprolactam in Japan and ammonia, so I am quite positive about it. On the other hand, I would like to confirm two things about this, one is how much of an asset light it will be. How much will be asset light with the inauguration of Mitsubishi UBE Cement, how much will be with the caprolactam shutdown, and how much will be with the ammonia shutdown?

Secondly, I think the balance of utilities in the UBE area, especially the steam balance, will change significantly due to the suspension of caprolactam and ammonia. Since the overall balance, including the nylon production system, will change significantly, is it safe to say that the risk of damage to competitiveness is not a major consideration?

Izumihara : Thank you very much for your questions. The first question is about how the asset will change by structure reform. I explained earlier that interest-bearing debt will be reduced by this amount. I believe it was written in the financial results briefing material, the total asset will be reduced by JPY118 billion in this current fiscal year. This is exactly the amount that will be reduced by the transfer of the Cement business. Although our assets will be reduced, investment securities will be acquired on the other hand, and this will be the amount of corporate value.

If we withdraw and/or downsize from the ammonia and the caprolactam businesses in the future, I believe that we will see the retirement of such assets. We believe that the losses that will be incurred as a result of these stranded assets will be fully recovered through the expansion of the Specialty business. We will finalize the specific figures of assets in that area, but we will be able to withstand such losses in our overall business structure without damaging our equity capital.

Also, as you mentioned, we will first move nylon production to Thailand. As a result, the caprolactam self-preservation rate will also decrease, and caprolactam production will be reduced accordingly by around 2024. This in turn reduces the self-extinguishing rate of ammonia. In this way, we would temporarily increase external sales of ammonia. However, since we are also planning to bring production to a halt with a view by 2030, and as you pointed, various steam balances and other issues will arise. However, we believe that this will be possible as we continue to make adjustments in these major areas.

The year 2030 is not that far in the future, and to work out specific details in the future, we will have to make our policies clear to a certain extent and discuss them with our customers. In addition, there will be questions what to do about private power generation in the future, precisely in regard to the energy balance and other factors.

These are also major issues to be considered in the future, but first we need to clarify the direction of Ammonia, which is the most fundamental business and asset for us. In this context, we will consider things in the future and take various measures for the best transition from now on, while minimizing negative impacts as much as possible. At the same time, steadily increasing what we can increase.

Questioner A : One more point. I would like to ask about GHG emission reduction. If domestic caprolactam is stopped and private power generation is scaled down, or became a joint venture, and ammonia is stopped, I think you can probably achieve your goal. Is it okay to have this scale of view?

Also, since your company has C1 chemical technology, I think there is a possibility of getting credits by expanding C1 chemicals overseas, such as various DMCs for CO2 raw materials. Are those things included in plan?

Izumihara : Roughly 40% of the CO2 emissions in our Chemical business come from this ammonia facility. So, if we aim to stop production of all ammonia in the future, and it will reduce by 40% on this alone. In addition, by implementing various steady measures to reduce GHG emissions, we believe that we can achieve the 50% goal without considering other factors such as in-house power generation.

Since the future of Energy business is still uncertain, like how it becomes, how we will be able to secure cleaner energy or how it will be implemented in society, we would like to keep these things in mind as options. However, I am saying this time that we can accomplish what we need to do by clarifying the most fundamental aspects.

Questioner A : We are looking forward for your environmental contribution with profit.

Izumihara : I believe that environmental issues will ultimately be judged on business feasibility. We would like to make decisions by looking at both business feasibility and environmental contribution. I hope you can understand our direction of the Ammonia business. To add on that, there are no elements such as credits, etc. in plan. So, we have determined that we can certainly achieve that to some extent.

Questioner A : That means there is a possibility that can become an added benefit in the long term.

Izumihara : Yes. Of course, I think it is a possibility in the future.

Questioner A : Thank you very much.

Questioner B : I would like to check on the specialty business profit projections on page 25 in the medium-term plan. According to your explanation earlier, sales will increase by JPY44 billion, over the three years, but the profit will increase only JPY3 billion, due to increase in depreciation with a capital investment. Even so, I think you can roughly calculate marginal profit of JPY15 billion to JPY16 billion if sales increase by this amount.

To be honest, I am a bit of disappointed that the profit only increases that much. I wonder if you could give us some additional information on the reasons for the lack of profit growth in this area.

Izumihara : As you say, we also feel that it is a little short. As I mentioned earlier, there is an increasing burden of depreciation due to capital investment, and we are also proud of the considerable profit margins we are currently making on polyimide and other specialty products such as separation membranes and ceramics.

Therefore, as the market expands to some extent in the future, we doubt that if this steady and firm market situation would keep continuing or if there is a price drop in future, as well as a possibility of emerging of various other companies to the market. We are also taking a hard look at these areas. I do not intend to be overly cautious, but I understand that the division has fully factored in various future risks and other factors in the figures.

Questioner B : The second question is to confirm about the caprolactam and nylon areas in the Basic business. First, I think the nylon polymers production will be transferred to Thailand this time, and then the caprolactam will be stopped. I wonder if the capital investment for Thailand will be big at the time of transfer. Also, you will stop the caprolactam in 2024 so I assume that the transfer will be done in 2023. Then I have a question about the time frame: whether it will be done in time and how much money it will cost.

Also, I am afraid I did not study well enough but regarding domestic caprolactams, it is written that the main phase system is suspended. I would like to know what is meant here. Can you also give us some additional information in the area of whether cyclohexanone production will be continued?

Izumihara : First, regarding the transfer of nylon copolymer from Japan to Thailand, this can be done by modifying the first phase facilities. So, of course, we need to invest a certain amount, but it is not huge. In that context, I believe this can be done smoothly.

Regarding the suspension of the main lactam production line, in addition to the two main lines, there are caprolactam which is a byproduct of the process of producing laurolactam, a raw material for nylon 12. Production of laurolactam will continue, so in that sense, we will stop all production of the so-called main stream.

Questioner B : I understand. That's all from me. Thank you very much.

Questioner C : In the section on page 18, Basic Policies and Priority Measures, I think you have mentioned the top four in great detail, but I would like to know about your passion in environmentally-friendly products on the last section. Could you give us additional explanation in which area are you expecting and also dissatisfied with?

Izumihara : As shown in slide 15, our environmentally friendly products are not necessarily only those that reduce GHG emissions, but also those that address issues such as marine plastic waste, biodiversity, and water resources. We have existing specialty products, such as VCRs used in eco-friendly tires, or composites that contribute to weight reduction of automotive components, or materials for lithium-ion batteries, etc. We decide our environmentally friendly products based on one of the ISO standards to a certain extent.

As noted in the diagram on the right, we will increase existing environmentally friendly products at first. And then, launch of new materials and for example, business expansion of nylon composites, synthetic rubber, polyimide etc., will increase sales of the environmentally friendly products. We will bring this to 60% by 2030, but it is not necessarily true if this figure will increase significantly in the next three years. I believe it will increase by about 10% at most.

However, we have a roadmap to increase the ratio to 60%. We believe that if we expand our specialty business, which we should expand, the ratio of products that contribute to the global environment will automatically increase.

Questioner C : Thank you. Second question. Now in the area of specialty business, I would like to ask your comment on how I should organize the products that have the highest growth potential, the highest profitability, and the largest scale if you cut them off in the final year of this medium-term plan. I would appreciate if you can share the numbers, or if not possible, by product name.

One more thing, I think you mentioned non-reinforced special grades in the composites section, but I didn't understand the potential for this. So, I appreciate if you could add a little bit about the global scale and what your company's market share is like.

Izumihara : On page 13, we show the main product groups that we intend to expand toward 2030. Although a specific breakdown is not shown here, fine chemicals, high-performance coatings, composites, polyimides, and pharmaceuticals are described as growth businesses. Aside from the specific numbers, I hope you understand that we are planning to make them larger in this order.

Then, non-reinforced products in the Composites business are hydrogen tank liners, or grades for tank valve applications and so on, for example. This is the so-called non-enhanced special grade. We are planning to increase the number of such products while taking advantage of our strengths, especially in the production of non-reinforced lines with increased capacity in the US and Thailand. This is a part of our growth strategy to expand width of the composite. I can't give you specifics, scale, etc., but this is what we are envisioning.

Questioner C : Thank you very much.

Questioner D : I have two questions, please. First, regarding the future positioning of the Machinery business, I believe UBE Machinery is 100% owned by UBE for the time being, but are there any options or directions such as reducing the investment ratio in the future, like in the Cement business? Please let me know.

Izumihara : The characteristics of the Machinery business have traditionally been quite different from those of the chemical, cement, and other equipment industries. For the past 20 years we have made the Machinery business a wholly owned subsidiary and have been trying to manage it as independently as possible and in accordance with its business characteristics. Under such circumstances, I think there may be some debate as to whether the Machinery business can really be continued in this form in the future.

However, I do not think it is true that the Machinery business has been constrained by this kind of business structure in drawing up various growth strategies up to now. In other words, UBE, a chemical company, will be the asset owner, so to speak, and if there are no particular problems at this stage, especially in terms of various measures for growth or improving profitability, I think the current structure will be fine.

However, in the direction of a larger and stronger Machinery business in the future, For example, if it would be better for the business to operate business on its own or in alliance with other companies, we should consider that. At this point, as we aim to maximize business value as our wholly owned subsidiary, I do not see any particular obstacles in this area. Independence of the machinery business is an issue for the future.

Questioner D : Thank you very much. Secondly, I think that the structural reform this time is a serious reform proposal in terms of controlling volatility. However, from a future perspective, if you do not create new products and actively conduct M&A, I have a feeling that you will be end up becoming a medium-sized company. Are there any new products or M&A activities that will compensate for the downsizing of the business, or is there any kind of response to this? Please let me know.

Izumihara : As you say, we have made our direction quite clear this time. Downsizing can be realized by taking our own measure however, the problem is, whether we really can expand where we want to grow. We intend to shift our focus to growth in the future, and to this end, we intend to make more aggressive capital investments than in the past.

Although we have not included any large M&A deals in the figures, we believe that we are in a situation where we can make a fairly large M&A deal of a certain scale, and we would like to actively engage in such deals if there are any. In addition, this time, we have said that we will increase the amount of capital investment over the next three years by one and a half times the previous amount. If there is a better project, we would consider increasing it further.

Of course, this does not mean that we are going to be wildly ambitious with our cash flow, but we would like to adopt a growth strategy that allows us to do so while also keeping a close eye on our financial situation. Therefore, we fully understand what you are saying, and we believe that both organic and inorganic growth are necessary, especially for new business expansion in the future.

Therefore, from this perspective of each business, I believe that we have enough strength to steadily expand our current growth strategy businesses, and we are also making the profit expansion with a certain degree of breakdown. We are making sure to realize it. I believe that this is the best way to gain everyone's trust and to solidify our foothold for the next three years.

Questioner D : Thank you very much.

Questioner E : Thank you for your explanation. I would like to ask about profit growth of the specialty. Please tell me about the polyimide and the separator.

It says the film sales are not expected to grow much, and I wonder if this is because the production capacity will inevitably slow down until the next expansion, or if you are aware that the demand for COF has begun to decline due to the increase in demand for larger TVs. I would like to know the background behind the lack of growth in film production.

I feel that it would not be surprising to see more growth in other areas as well, since you have achieved the de facto standard for OLEDs. I would like to know about the growth of polyimide, whether this is also a production capacity rate.

As for the separator, the 13th phase facilities have been in operation but this is designed to be more cost competitive by being put into operation for the next 14th phase facilities. However, since you did not mention separators in the growth factors or resource allocation, I was wondering if you are not thinking much about the 14th phase facilities at this stage. Could you explain about the growth possibility of the specialty once again?

Izumihara : Regarding the polyimide, we have overwhelming share of the COF film market. Regarding how we see demand expanding in the future, We do not expect we hit the ceiling. However, we are cautiously watching to see whether the trend will continue to increase steadily, and in a sense, other types of films may replace them. We are developing new films to be able to respond in case those changes occur. Therefore, we also see the risk for some extent in this growth area. In general, I believe that the plan of specialty products are made with such risks firmly in mind.

We already have a large share of the OLED market, so we have to be very wary of the entry of other manufacturers, such as Chinese manufacturers. We are of course confident that we will be able to stay ahead of the competition, but we would like to add more growth to the plan in future. In a sense, even with a lockdown in Shanghai and such, our product stock is not big as supply chain in the entire market, so we are still able to ship firmly without unaffected. However, we will first work to increase production capacity.

Also, as you mentioned, as for separators, we are investing in facilities in the current 13th term, including upfront facilities for the next 14th term, so we will be truly cost-competitive in the 14th term. Therefore, as I mentioned earlier, we will expand our business in areas where we have narrowed down our target to some extent, and we would like to quickly connect this to the 14th phase facilities by quickly capturing the demand.

We have included the expansion of the separator facility in the latter half of the mid-term plan as you see in the growth of the Specialty business on page 14. I believe that this will be possible once automobile

production recovers to a certain extent in the future, and we will be in a situation where we can quickly move the 14th phase facilities in this manner. We are steadily acquiring the deal of separators for batteries, especially for Japanese automobile companies, so we would like to increase our capacity to meet the needs of these target customers and start up in the 14th term facilities as soon as possible.

Questioner E : Thank you for the details.

Moderator : We have reached to the closing time, so we would like to end today's briefing. Thank you very much for your time today.

Izumihara : Thank you very much.

[END]