

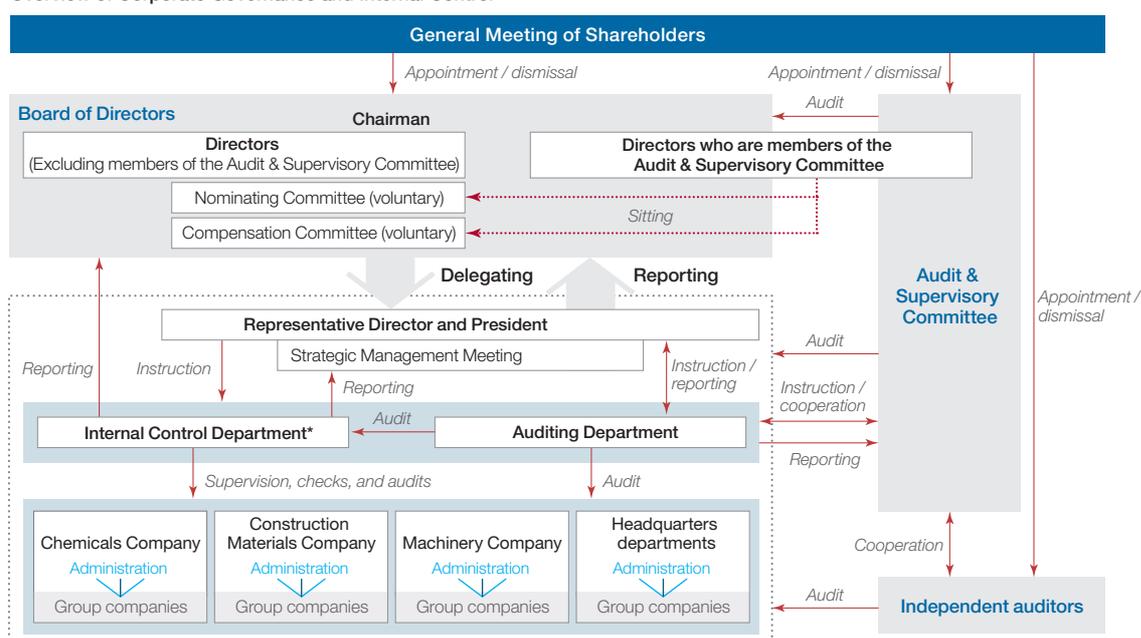
Corporate Governance Overview (Table 1)

Organizational structure	Company with Audit & Supervisory Committee
Chairman of the Board of Directors ^{Note 1}	Yuzuru Yamamoto
Number of directors (excluding members of the Audit & Supervisory Committee) ^{Note 1}	6 (of which 2 are outside directors)
Number of directors in the Audit & Supervisory Committee ^{Note 1}	3 (of which 2 are outside corporate auditors)
Independent officers appointed ^{Note 1}	4 outside directors
Determination of compensation for each director (excluding members of the Audit & Supervisory Committee and outside directors)	<ul style="list-style-type: none"> • Compensation consists of base compensation (fixed compensation and performance-linked compensation) and stock-based compensation. • Total compensation for the year ended March 31, 2020: ¥241 million (fixed compensation: ¥114 million; performance-linked compensation: ¥105 million; stock-based compensation: ¥21 million) • From April 1, 2019 to June 27, 2019: 4 directors From June 27, 2019 to March 31, 2020: 4 directors
Determination of compensation for each director in the Audit & Supervisory Committee (excluding outside directors)	<ul style="list-style-type: none"> • Compensation consists of base compensation (fixed compensation). • Total compensation for the year ended March 31, 2020: ¥43 million (fixed compensation: ¥43 million) ^{Note 2} • From April 1, 2019 to June 27, 2019: 2 directors From June 27, 2019 to March 31, 2020: 1 director
Determination of compensation for each outside director (excluding members of the Audit & Supervisory Committee) (Independent officers)	<ul style="list-style-type: none"> • Compensation consists of base compensation (fixed compensation). • Total compensation for the year ended March 31, 2020: ¥30 million (fixed compensation: ¥30 million) • From April 1, 2019 to June 27, 2019: 4 directors From June 27, 2019 to March 31, 2020: 2 directors
Determination of compensation for each outside director in the Audit & Supervisory Committee (Independent officers)	<ul style="list-style-type: none"> • Compensation consists of base compensation (fixed compensation). • Total compensation for the year ended March 31, 2020: ¥26 million (fixed compensation: ¥26 million) ^{Note 2} • From April 1, 2019 to June 27, 2019: 2 directors From June 27, 2019 to March 31, 2020: 2 directors
Independent auditors	Ernst & Young ShinNihon LLC

Note 1: From the end of the 113th Ordinary General Meeting of Shareholders held on June 27, 2019 to March 31, 2020

Note 2: In line with the transition to a Company with Audit & Supervisory Committee structure in June 2019, we show the remuneration of former internal corporate auditors together with that of directors (excluding outside directors) who are members of the Audit & Supervisory Committee, and remuneration of former external corporate auditors together with that of outside directors who are members of the Audit & Supervisory Committee.

Overview of Corporate Governance and Internal Control



* Internal Control Department
 Practical Operational Committees (Compliance, Regulated Cargo, Information Security, and Emergency Response) and Headquarters Internal Control Departments

Directors



Yuzuru Yamamoto
Director
Chairman of the Board



Masato Izumihara
President & Representative Director
CEO



Makoto Koyama
Representative Director



Masayuki Fujii
Director
CFO



Keikou Terui
Outside Director



Tetsuro Higashi
Outside Director



Atsushi Yamamoto
Director
Member of the Audit & Supervisory Committee



Seiichi Ochiai
Outside Director
Member of the Audit & Supervisory Committee



Takashi Shoda
Outside Director
Member of the Audit & Supervisory Committee

Corporate Governance

The UBE Group's fundamental mission is to achieve sustainable growth and increase the corporate value of the Group over the long term. As a Company with Audit & Supervisory Committee, we accordingly created a structure in which directors in the Audit & Supervisory Committee with rights to audit and state their opinions at the General Meeting of Shareholders can vote in Board of Directors' meetings, strengthening the Board's supervision of business execution, and delegating important business implementation decisions to the President and Representative Director. We consider it important to maintain appropriate business activities and fulfill our duties toward and gain the trust of all stakeholders, including shareholders, customers, business partners, employees, and communities, as well as shareholders, by creating an effective corporate governance, including to accelerate business execution.

Board of Directors

In principle, a director who does not serve concurrently as an executive officer serves as Chairman of the Board of Directors. The Board of Directors makes decisions about important management issues in accordance with laws, regulations, the Company's Articles of Incorporation, and the rules of the Board of Directors, and also supervises directors and executive officers to ensure they are

performing their duties appropriately and efficiently. As a Company with Audit & Supervisory Committee, we will accelerate operational execution by delegating decision-making on important operations to the President and CEO while consistently reinforcing supervision.

Audit & Supervisory Committee

The Audit & Supervisory Committee monitors and verifies the creation and running of internal control systems and oversees the execution of duties of directors and other executive officers, thereby contributing to the sound and sustainable expansion of the UBE Group and helping improve corporate value over the medium through long terms. The committee operates based on annual audit policies and plans. Directors on the committee attend and express their opinions at important meetings, including for the Board of Directors. They audit executive directors, executive officers, and Group companies, including their departments, and the Internal Control Department, to assess important decision-making processes and business execution. The committee also receives audit reports from the Auditing Department, issuing instructions as needed, and regularly engages with the President and Representative Officer to confirm management policies and exchange opinions about important issues. Directors on the committee are permitted to attend meetings of the Nominating Committee and Compensation Committee, which the Board of Directors

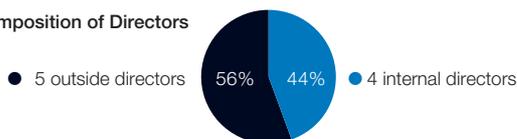
oversees, and express their opinions at the General Meeting of Shareholders as needed as part of their supervision of directors and their remuneration (excluding those who are Audit & Supervisory Committee members). The Audit & Supervisory Committee comprises three directors, including two outside ones, with an outside director serving as the chairman.

<i>Audit & Supervisory Committee</i>	Seiichi Ochiai (Chairman)	<i>Outside Director</i>
	Takashi Shoda	<i>Outside Director</i>
	Atsushi Yamamoto	<i>Director</i>

Outside Directors

UBE has appointed outside directors to add independent, third-party viewpoints to the decision-making process and to the monitoring of management to ensure efficiency, transparency, and objectivity from June 2005. In addition, UBE employs a Nominating Committee and Compensation Committee that report to the Board of Directors. Each comprises three members—two outside directors (excluding members of the Audit & Supervisory Committee) and one non-executive director (Chairman of the Board)—and is chaired by an outside director.

Composition of Directors



<i>Nominating Committee</i>	Keikou Terui (Chairman)	<i>Outside Director</i>
	Tetsuro Higashi	<i>Outside Director</i>
	Yuzuru Yamamoto	<i>Chairman of the Board</i>

<i>Compensation Committee</i>	Tetsuro Higashi (Chairman)	<i>Outside Director</i>
	Keikou Terui	<i>Outside Director</i>
	Yuzuru Yamamoto	<i>Chairman of the Board</i>

Effectiveness Assessment of the Board of Directors

Each year, we convene the Evaluation Meeting for Effectiveness of the Board of Directors for deliberations based on a self-assessment questionnaire. Meeting participants are outside and non-executive directors. The Board of Directors receives and assesses a report on those discussions.

The Board of Directors accordingly determined at a meeting in May 2020 that it had functioned effectively in fiscal 2019. It also found that this entity's composition and operations were appropriate and that it had engaged in vigorous debate and deliberations.

The shift to a Company with Audit & Supervisory Committee structure broadened the scope for delegating decisions on important business matters to the President and CEO. This move also led to the gradual deployment of a structure for operating and internal control unit business reports. The Board concluded that it had strengthened management oversight effectively.

The Board will endeavor to become more effective through its oversight focus to contribute to sustainable growth and enhance corporate value with respect to three key challenges. The first is to explore further broadening the scope of delegating decisions on important business matters to the

Directors' and Auditors' Attendance at Board Meetings and Committees

	Name	Attendance at meetings of the Board of Directors during fiscal 2019	Attendance at meetings of the Audit & Supervisory Committee during fiscal 2019	Attendance at meetings of the Compensation Committee during fiscal 2019	Attendance at meetings of the Nominating Committee during fiscal 2019
<i>Until June 26, 2019</i>	Directors	Yuzuru Yamamoto	3/3 times (100%)		2/2 times (100%)
		Masato Izumihara	3/3 times (100%)		
		Michio Takeshita	3/3 times (100%)		2/2 times (100%)
		Tadashi Matsunami	3/3 times (100%)		1/1 time (100%)
	Outside Directors	Takashi Kusama	3/3 times (100%)		2/2 times (100%)
		Keikou Terui	3/3 times (100%)		2/2 times (100%)
		Takashi Shoda	3/3 times (100%)		2/2 times (100%)
	Auditors	Mahito Kageyama	3/3 times (100%)		2/2 times (100%)
		Takanobu Kubota	3/3 times (100%)	4/4 times (100%)	
	Outside Auditors	Atsushi Yamamoto	3/3 times (100%)	4/4 times (100%)	
Seiichi Ochiai		3/3 times (100%)	4/4 times (100%)		
	Miyako Suda	3/3 times (100%)	4/4 times (100%)		
<i>After June 27, 2019</i>	Directors	Yuzuru Yamamoto	11/11 times (100%)		1/1 time (100%)
		Masato Izumihara	11/11 times (100%)		2/2 times (100%)
		Makoto Koyama	11/11 times (100%)		
		Masayuki Fujii	11/11 times (100%)		
	Outside Directors	Keikou Terui	11/11 times (100%)		1/1 time (100%)
		Tetsuro Higashi	11/11 times (100%)		2/2 times (100%)
	Director, Member of the Audit & Supervisory Committee	Atsushi Yamamoto	11/11 times (100%)	12/12 times (100%)	
		Seiichi Ochiai	11/11 times (100%)	12/12 times (100%)	
	Outside Directors, Members of the Audit & Supervisory Committee	Takashi Shoda	11/11 times (100%)	12/12 times (100%)	

Outside Director
Keikou Terui

- 1979 Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry (METI))
- 2008 Director-General for Technology Policy Coordination, Minister's Secretariat, METI
- 2011 Director-General, Kanto Bureau of Economy, Trade and Industry, METI
- 2012 Director-General for Regional Economic and Industrial Policy, METI
- 2013 President, Japan Utility Telemetering Association. Non-Profit Organization (current position)
- 2014 Outside Director of the Company (current position)
- 2016 Outside Director, Bridgestone Corporation (current position)
Outside Director, Organo Corporation (current position)

Outside Director
Tetsuro Higashi

- 1977 Joined Tokyo Electron Limited
- 1990 Director, Tokyo Electron Limited
- 1996 Representative Director, President of Tokyo Electron Limited
- 2003 Representative Director, Chairman of the Board of Tokyo Electron Limited
- 2012 Outside Director of the Company Resigned (June 2014)
- 2013 Representative Director, Chairman and President of Tokyo Electron Limited
- 2018 Outside Director, Seven & i Holdings Co., Ltd. (current position)
- 2019 Outside Director, Nomura Real Estate Holdings, Inc. (current position)
Outside Director of the Company (current position)

Outside Director and Member of the Audit & Supervisory Committee
Seiichi Ochiai

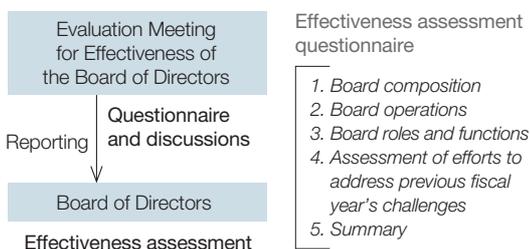
- 1981 Professor, Seikei University Faculty of Law
- 1990 Professor, The University of Tokyo Graduate Schools for Law and Politics, and Faculty of Law
- 2007 Professor, Chuo Law School Registered as an attorney (Dai-ichi Tokyo Bar Association)
Professor Emeritus, The University of Tokyo (current position)
- 2012 Outside Audit & Supervisory Board Member of Nippon Telegraph and Telephone Corporation
Outside Director of Meiji Yasuda Life Insurance Company (current position)
- 2013 Outside Auditor of the Company
- 2019 Outside Director and member of the Audit & Supervisory Committee of the Company (current position)

Outside Director and Member of the Audit & Supervisory Committee
Takashi Shoda

- 1972 Joined Sankyo Co., Ltd.
- 2001 Director, Sankyo Co., Ltd.
- 2003 President and Representative Director, Sankyo Co., Ltd.
- 2005 President & CEO, and Representative Director, Daiichi Sankyo Co., Ltd.
- 2010 Representative Director and Chairman, Daiichi Sankyo Co., Ltd.
- 2014 Senior Corporate Adviser, Daiichi Sankyo Co., Ltd.
- 2015 Outside Director of the Company
- 2017 Outside Director, Daito Trust Construction Co., Ltd. (current position)
- 2019 Outside Director and member of the Audit & Supervisory Committee of the Company (current position)
Outside Director, RIKEN Innovation Co., Ltd. (current position)

President and CEO and to keep improving business reporting approaches and other aspects of operations. The second is to step up Board deliberations relating to medium- and long-term management strategies and key management issues and more robustly monitor progress. Third, the Board will continuously monitor systematic risk management progress for the Group as a whole and strive to strengthen the effectiveness of internal control systems.

Effectiveness Assessment Process



Director and Executive Officer Remuneration

UBE revised its director and executive officer remuneration system effective April 1, 2019. The new system will apply to the target set for fiscal 2019, and evaluation of target achievements will be reflected in remuneration for fiscal 2020. Remuneration for fiscal 2019 was based on the old system is shown in Table 1 on page 44.

Please read Securities report for detailed information on the old system system (in Japanese only).

https://www.ube-ind.co.jp/ube/jp/ir/library/securities_report/index.html

The major differences from the old remuneration system include the simplification of various benchmarks to aid understanding, with the compensation ratio for performance-linked portions increasing.

A. Outline of director and executive officer remuneration

(a) The remuneration structure for directors (excluding directors who are also members of the Audit & Supervisory Committee and outside directors who are not members of the committee) and executive officers at UBE consists of:

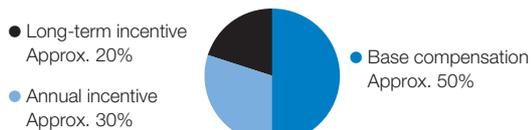
- (1) base compensation (fixed compensation),
- (2) an annual incentive (Companywide performance-linked compensation and annual individual target-based compensation), and
- (3) long-term incentives (medium-to-long term individual target-based compensation and stock options).

(b) The ratios of base compensation and annual and long-term incentives are set to allocate about 50% for base compensation, 30% for annual incentives, and 20% for long-term incentives. The ratios of annual incentives for the President and the Chairman are higher, and base compensation lower, compared to those for other directors and executive officers.

(c) Directors who are also members of the Audit & Supervisory Committee and outside directors receive fixed, base compensation only.

(d) The objective validity of standards for director and executive officer remuneration is confirmed by constantly referring to remuneration study data from external research institutions and by making comparisons with levels at major manufacturers of similar sizes and in comparable industries.

Ratios of Base Compensation and Annual and Long-Term Incentives of Directors (excluding members of the Audit & Supervisory Committee and outside directors) and Executive Officer Remuneration^{Note}



Note: The ratios of annual incentives for the President and the Chairman are higher, and base compensation lower, compared to those for other directors and executive officers.

Securities Report



B. Procedure to determine director and executive officer remuneration

The amount of compensation for each director (excluding members of the Audit & Supervisory Committee) and executive officer will be deliberated by the Compensation Committee, which reports to

the Board of Directors and is chaired by an outside director and a majority of which is comprised of outside directors. After reviewing compensation, the committee forwards its recommendations and findings to the Board of Directors for a decision. The compensation of directors who are also members of the Audit & Supervisory Committee shall be decided through deliberations of members of the Audit & Supervisory Committee.

Procedure to Determine Director (excluding members of the Audit & Supervisory Committee) and Executive Officer Remuneration



Executive Officers

UBE has been using an executive officer system to separate supervision and business execution since June 2001. The President and CEO delegates authority to executive officers, who perform their duties based on management policies decided by the Board of Directors.

Directors, Auditors, and Executive Officers (As of June 26, 2020)

Directors

	Yuzuru Yamamoto
<i>Representative Director</i>	Masato Izumihara
<i>Representative Director</i>	Makoto Koyama
	Masayuki Fujii
	Keikou Terui *
	Tetsuro Higashi *
<i>Member of the Audit & Supervisory Committee</i>	Atsushi Yamamoto
<i>Member of the Audit & Supervisory Committee</i>	Seiichi Ochiai *
<i>Member of the Audit & Supervisory Committee</i>	Takashi Shoda *

* Outside and independent

Executive Officers

<i>President & Executive Officer</i>	Masato Izumihara
<i>Senior Managing Executive Officers</i>	Tokuhisa Okada
	Makoto Koyama
<i>Managing Executive Officers</i>	Masahiko Nojima
	Yukio Hisatsugu
	Hideo Tamada
	Genji Koga
	Masayuki Fujii
	Yuki Nishida
<i>Senior Executive Officers</i>	Hiroshi Nishida
	Hidetsune Miura
	Yoshiaki Ito
	Yuzo Hanamoto
	Hisaaki Yokoo
	Masayoshi Ota
	Keiichi Nagata

Executive Officers

Masarou Suehiro
Bruno de Bièvre
Shigeru Ouchi
Mitsuo Ono
Toshiyuki Mineishi
Hironori Miyauchi
Watchara Pattananijirundorn
Hiroaki Kojima
Yoichi Funayama
Futoshi Takase

General Meeting of Shareholders and Exercise of Voting Rights

The Notice of Convocation is sent out three weeks prior to the General Meeting of Shareholders, but its contents are posted on the UBE Group's website earlier. UBE provides access to mobile phone and internet voting in addition to voting by mail so that shareholders unable to attend can also exercise their voting rights. UBE also uses an electronic voting platform for institutional investors.

At the General Meeting of Shareholders held on June 27, 2019, a total of 14,821 shareholders exercised their voting rights (including 13,907 shareholders who exercised voting rights in writing and via the internet), representing 77.1% of total voting rights.

Engagement with Shareholders

Two-Way Communication through IR Activities

Principal IR activities in fiscal 2019 are listed below. The UBE Group conducts IR activities with the goal of timely, accurate, and fair disclosure, and believes that proactive communication and engagement with investors enhances corporate value.

- Earnings briefing for institutional investors and securities analysts (after main briefing)
- Telephone conference for institutional investors and securities analysts (held quarterly)
- Overseas IR (individual visits to and teleconferences with overseas investors four times annually to Europe, the United States, Asia*, and Australia*)

*These were teleconferences following the COVID-19 outbreak.

- Small meetings by the President and CEO (four times yearly)
- Individual meetings with institutional investors (about 200 times per year)

Detailed information is available in the Investor Relations section of the UBE Group's website:

<https://www.ube-ind.co.jp/ube/en/ir/>

Internal Control System

The Board of Directors has resolved the basic policies for the configuration of the UBE Group's internal control system.

Investor Relations



Detailed information on the Basic Policy for Establishing Internal Control is available on the UBE Group's website:

<https://www.ube-ind.co.jp/ube/en/corporate/management/internalcontrol.html>

Compliance

UBE established the UBE Action Guidelines as a code of conduct guiding basic behavior within the UBE Group and among constituent members. The guidelines outline the standards and criteria for compliance in corporate activities, which directors and employees are expected to adhere to.

UBE appoints a Compliance Officer for the UBE Group and maintains the UBE Group Compliance Committee including general counsels as an advisory body. Within the committee, it set up the UBE Group Competition Law Compliance Committee to prevent acts that impede fair competition and to ensure the soundness of business operations. It additionally set up the UBE Group Restricted Cargo and Export Management Committee to increase awareness within the Group of the need to prevent the unauthorized export or provision of goods and technology that are restricted under export control laws and regulations designed to maintain international peace and stability.

UBE is working to upgrade and strengthen structures and frameworks for compliance. Initiatives include the introduction of the "UBE C-Line," a hotline that allows executive officers and employees to directly report compliance issues without going through normal channels. This encourages the rapid finding and swift correction of compliance issues. By providing compliance-related information, e-learning, team coaching, and other programs, UBE continuously educates and enlightens its employees.

In fiscal 2019, UBE conducted internal training and education on laws and regulations such as the Antimonopoly Act, Subcontract Act, and Unfair Competition Prevention Act. The Company trained instructors for general compliance education at each office and facility to cultivate capabilities based in workplaces. We trained instructors to provide general compliance education at each business site and conducted workplace-based training. There were around 5,800 participants in fiscal 2018 and 2019.

UBE Group Compliance Committee

UBE Group Competition Law Compliance Committee

UBE Group Restricted Cargo and Export Management Committee

Preventing Corruption

Chapter 3 of the UBE Group Action Guidelines for Business Conduct, titled, Fairness and Integrity, states a commitment to maintaining healthy

relationships with governments and regulators. The objective is to prevent the bribery of public officials in Japan or abroad as well as other forms of corruption. We accordingly formulated the UBE Group Anti-Bribery Guidelines, and provide e-learning and collective training courses for executives and employees. We maintain a framework such that if matters of concern come to light through our internal hotline, compliance officers and departments collaborate to swiftly inquire into the facts and take the necessary measures. In fiscal 2019, there were no incidences of corruption, which would be subject to disciplinary action, or any penalties or other charges for corruption.

Please visit the Compliance section of the UBE Group's website for the UBE Group Anti-Bribery Guidelines (in Japanese only).

<https://www.ube-ind.co.jp/ube/jp/sustainability/compliance/>

Thorough Procurement in Line with Basic Purchasing Policies (Supply Chain Management)

The UBE Group endeavors to build fair and honest business relationships. We purchase in line with the Basic Purchasing Policies—Fair Transactions, Objective Selection of Suppliers, Compliance with Laws and Regulations and Confidentiality, Green Purchasing, and CSR Procurement*, as disclosed in the purchasing information on the UBE Group's website.

Detailed information on these policies is available on the UBE Group's website:

<https://www.ube-ind.co.jp/ube/en/koubai/index.html>

CSR Procurement

The UBE Group prepared CSR Procurement Policies and CSR Procurement Guidelines that encompass respecting human rights, complying with laws and social norms such as eliminating anti-social forces, and safeguarding the environment to foster CSR procurement that boosts standards across the entire supply chain.

In fiscal 2019, we conducted a third survey of 276 major business partners accounting for 90% of our procurement costs for materials, construction, packaging materials, and fuel oil. We compiled and analyzed the survey results, providing feedback Companywide. The goal of the survey was to assess CSR progress among business partners and seek improvements as needed. We spoke with business partners providing inadequate responses to drive improvements.

Please visit the Procurement Information section of the UBE Group's website for the survey results (in Japanese only).

https://www.ube-ind.co.jp/ube/jp/koubai/pdf/customer_01.pdf

Basic Policy for Establishing Internal Control



UBE Group Compliance Guidelines/UBE Group Anti-Bribery Guidelines



Procurement Information



The Third Survey of Major Business Partners on CSR

