

Building Value to Materialize Sustainable Growth
The UBE Group's Business Model

The UBE Group concentrates its manufacturing facilities in the Ube area. Its chemicals, construction materials, and machinery business segments share such infrastructure as power plants and ports to ensure cost competitiveness. However, each business segment runs independently. We are building a business model that can generate sustainable value by swiftly addressing changes.



Chemicals

Role and positioning: Boost earnings stability and drive Groupwide growth
Resource allocations: Capital expenditures Approx. ¥20.5 billion
 Active growth businesses Approx. ¥8.0 billion
 R&D expenses Approx. ¥10.0 billion
 Employees 5,132

We have progressed over the years by sophisticating synthetics technologies cultivated through the manufacturing of fertilizer from coal to supply products that match contemporary needs. Our broad lineup extends from nylon and synthetic rubber to such advanced offerings as separators, polyimide, and separation membranes, as well as environmentally friendly high-performance coatings. We also maintain drug discovery and contract pharmaceuticals.



Construction Materials

Role and positioning: Generate consistent profits and cash flows and expand new businesses
Resource allocations: Capital expenditures Approx. ¥14.0 billion
 Active growth businesses Approx. ¥3.5 billion
 Free cash flow Approx. ¥15.0 billion
 Employees 3,269

Here, we progressed by focusing on the cement, calca, and magnesia businesses by drawing on the Ube area's abundant reserves of coal and on limestone from Ube's surrounding areas. We are endeavoring to maximize profitability by drawing on comprehensive strengths with Group companies in such areas as manufacturing ready-mixed concrete, transporting cement, and sales. We have developed numerous building materials products that draw on our chemicals business knowledge. The Construction Materials Company underpins social infrastructure and lifestyles.

Strength

Infrastructure



Enhance productivity by sharing infrastructure
 Tap steam from a thermal power plant and waste heat from cement plants
 Located favorably owing to its limestone, water resources, port, and other features



Energy Business

(Construction Materials Company)

We supply power and other resources to plants and offices in the Ube region. At the same time, we are endeavoring to reduce our environmental footprint through solar power, biomass, and other energy sources.

We started out with coal mining machinery and refined our production technologies by manufacturing essential machinery for the cement and chemicals businesses. We make injection molding machines and die-casting machines that we supply to automobile manufacturers around the world, as well as such other offerings as transportation machinery, crusher equipment, and bridges. We also maintain machinery maintenance and improvement services. Advanced proprietary technologies underpin our high reputation.



Machinery

Role and positioning: Undertake operations that match business characteristics and enhance business value

Resource allocations: Capital expenditures Approx. ¥5.0 billion
 Employees 1,872

Key Facilities in the Ube Area

- Chemicals
- Construction Materials
- Machinery



UBE Machinery Corporation, Ltd.

Ube Cement Factory

Thermal power plant

UBE Steel Co., Ltd.

Ube Head Office

Ube Material Industries, Ltd. (Plant 1)

US Power Co., Ltd. Megasolar power plant

UBE-Fujimagari Factory

Ube Chemical Factory

Strategic Core Technology Research Laboratory
 Pharmaceuticals Research Laboratory

Strength



Our people

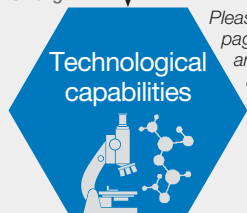
Please see pages 53-56 for details.

- Diversity
- Pleasant working environment

Motivated people with integrity

All employees are fully committed to collaborating and focusing on resolving tasks.

Strength



Technological capabilities

Please see pages 16-17 and 28-29 for details.

Synthetics technologies: We started out by employing coal, which is difficult to use as a chemicals raw material, and amassed synthetics technologies that we have leveraged in environmentally friendly product development.

Strength



Our solid customer base

(Osaka Research & Development Center)
(Development centers in Thailand and Spain)



Addressing Environmental Issues

- Reduce GHG emissions
- Create and expand businesses that contribute to the environment
- Pursue the SDGs
- Declare support for TCFD

Sustainable Growth

Strategies Employing Our Strengths

Concentrating operational resources on active growth businesses

- a. Cultivate high-value-added products
- b. Further globalize
- c. Strengthen proposal-based businesses
- d. Undertake timely capital investments
- e. Strengthen sales structure

Medium-Term Growth Areas

Creating new businesses in four priority areas:



Mobility

Automobiles, railways, and aerospace



Healthcare

Food, pharmaceuticals, and sophisticated lifestyles



Construction and Infrastructure

Infrastructure, living environments, and smart cities



Environment and Energy

Resource and energy conservation, and new materials

- Synthetic rubber a. b. c. d.
High added value and capacity expansion

- Separation membranes b. c. e.
Sales force reinforcement and sales expansion

- Separators
High quality

- Nylon
Composites business expansion

- Fine chemicals
C1 chemicals deployment in North America

- High-performance coatings a. b. c. d. e.
Global sales expansion and technological development

- Magnesia, calcia a. d.
High added value and capacity expansion

- Biomass fuel c. e.
Stable production and expanded usage

- Resource recycling a. c. d. e.
New business creation and expansion of environmental materials sales

- Polyimide c. d.
Capacity expansion and application development

Business-Specific Strategies

Strategies employing our strengths

