

Financial Results for the 1st Quarter FY2025

Explanatory material

August 5, 2025

1st Quarter: April - Jun

FY2025 1st Quarter Consolidated Result

Scope of Consolidation

Item	End of FY2024 (A)	End of FY2025 1Q (B)	Difference (B) - (A)	Notes
Number of consolidated subsidiaries	34	45	11	+ LANXESS Solutions Australia Pty. Ltd. + SISTEMAS DE URETANOS DO BRASIL LTDA. + Urethane Systems Canada Ltd. + Chemtura China Holding Co., Ltd. + LANXESS Advanced Materials (Nantong) Co., Ltd. + Elfte LXS GmbH + LANXESS SOLUTIONS INDIA PRIVATE LIMITED + LANXESS Solutions Italy S.r.l. + LANXESS Sales Netherlands B.V. + LANXESS Urethanes UK LTD + URETHANE SYSTEMS USA LLC
Number of equity method affiliates	17	17	—	
Total	51	62	11	

Environmental Factors

Item				FY2024 1Q (A)	FY2025 1Q (B)	Difference (B) - (A)
Exchange Rate		Yen/\$		155.9	144.6	(11.3)
Material Price	Naphtha	CIF	\$/t	717	631	(86)
		Domestic	Yen/KL	79,000	66,100	(12,900)
	Australian Coal (CIF)		\$/t	162.5	138.3	(24.3)
			Yen/t	25,331	19,990	(5,341)

Major P/L Items

(Billions of yen)

Item	FY2024 1Q (A)	FY2025 1Q (B)	Difference (B) - (A)	Percentage change
Net sales	115.4	100.5	(14.9)	(12.9)%
EBITDA	9.7	8.9	(0.8)	(8.1)%
Operating profit	2.9	3.0	0.0	1.5%
Ordinary profit	7.0	6.2	(0.8)	(10.8)%
Profit attributable to owners of parent	4.8	4.4	(0.4)	(9.2)%

Segment Change

Previous Segment	Businesses
Specialty Products	Polyimide Separation membranes Ceramics Separators Phenolic resin Semiconductor gases
Polymers & Chemicals	Composites Nylon polymers Caprolactam and ammonium sulfate Industrial chemicals C1 chemicals <u>High-performance coatings</u> Elastomers
Machinery	
Others	Pharmaceuticals Power Sales companies, etc.

New Segment	Businesses
Specialty Products	Polyimide Separation membranes Ceramics Separators Phenolic resin Semiconductor gases
<u>High Performance Urethane</u> <u>(New)</u>	<u>Urethane systems (new)</u> <u>High-performance coatings (transferred)</u>
<u>Pharmaceutical</u> <u>(Established as an independent business segment)</u>	
Polymers & Chemicals	Composites Nylon polymers Caprolactam and ammonium sulfate Industrial chemicals C1 chemicals Elastomers
Machinery	
Others	Power Sales companies, etc.

Net Sales and Operating Profit by Segment

(Billions of yen)

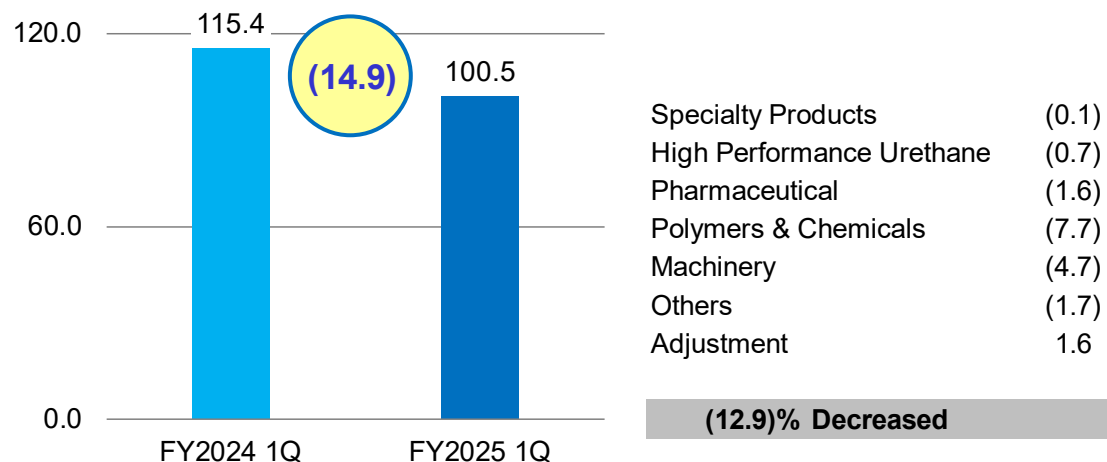
	Segment	FY2024 1Q	FY2025 1Q	Difference	Percentage change
		(A)	(B)	(B) - (A)	
Net sales	Specialty Products	15.1	15.0	(0.1)	(0.9)%
	High Performance Urethane	3.8	3.2	(0.7)	(17.4)%
	Pharmaceutical	5.9	4.3	(1.6)	(27.7)%
	Polymers & Chemicals	67.5	59.7	(7.7)	(11.4)%
	Machinery	19.2	14.5	(4.7)	(24.3)%
	Others	10.4	8.6	(1.7)	(16.8)%
	Adjustment	(6.5)	(4.8)	1.6	-
	Total	115.4	100.5	(14.9)	(12.9)%
Operating profit	Specialty Products	2.2	1.9	(0.3)	(15.0)%
	High Performance Urethane	0.7	(0.4)	(1.1)	-
	Pharmaceutical	(0.2)	(0.6)	(0.4)	-
	Polymers & Chemicals	(0.7)	1.3	2.0	-
	Machinery	1.0	1.1	0.1	5.5%
	Others	0.5	0.5	0.0	6.1%
	Adjustment	(0.6)	(0.8)	(0.2)	-
	Total	2.9	3.0	0.0	1.5%

Note: Starting from FY2025, the segments have been increased from the four segments of "Specialty Products," "Polymers & Chemicals," "Machinery," and "Others" to the six segments of "Specialty Products," "High Performance Urethane," "Pharmaceutical," "Polymers & Chemicals," "Machinery," and "Others." The results for FY2024 1Q are figures reflecting the segment reclassification.

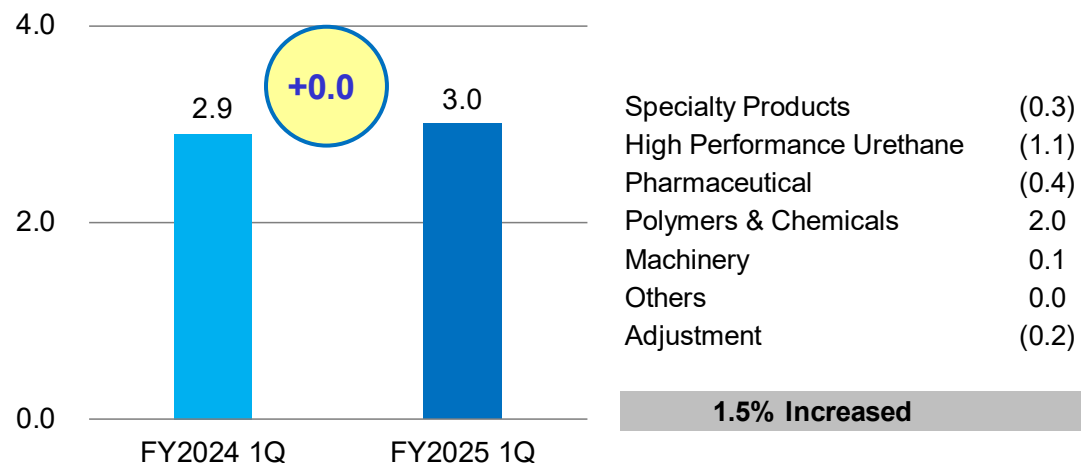
Analysis – Total

(Billions of yen)

Net Sales



Operating profit



Qualitative Information

Net sales: Down

- Polymers & Chemicals: Sluggish sales of nylon polymers and caprolactam
- Machinery: Transfer of management rights of the Steel Products Business in FY2024 3Q

Operating profit: Up

- High Performance Urethane: Weak sales of the high-performance coatings in the overseas market
- Polymers & Chemicals: Strong sales of the elastomer business

Difference of operating profit

Price ^{*1}	2.3
Volume	(0.9)
Fixed Cost and Others ^{*2}	(1.3)
Total	0.0

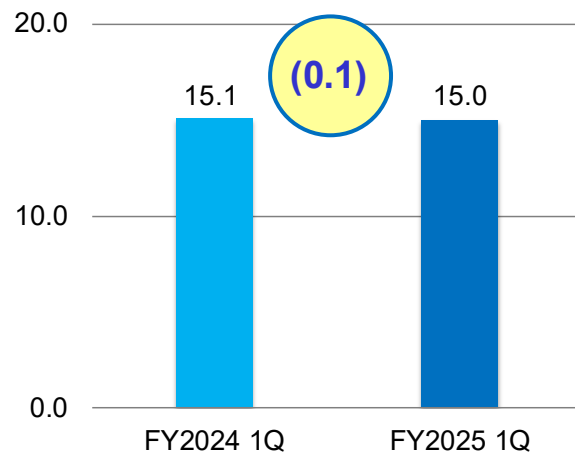
*1: Including both selling and purchase change

*2: Including inventory valuation changes

Analysis – Specialty Products

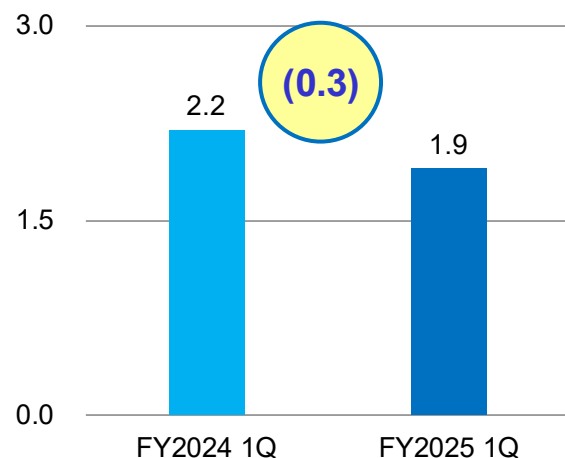
(Billions of yen)

Net Sales



(0.9)% Decreased

Operating profit



(15.0)% Decreased

Qualitative Information

Net sales: Down

- Polyimide: Weak performance of polyimide varnish
- Separation membranes: Continued effects of inventory adjustments by some customers
- Ceramics: Sales decline of products for bearings and substrates due to xEV market deceleration
- Separators: Increase in sales volume driven by rising demand for hybrid vehicles

Operating profit: Down

- Weak sales of polyimide, separation membranes, and ceramics

Difference of operating profit

Price ^{*1}	0.2
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Volume	(0.4)
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Fixed Cost and Others ^{*2}	(0.1)
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Total	(0.3)
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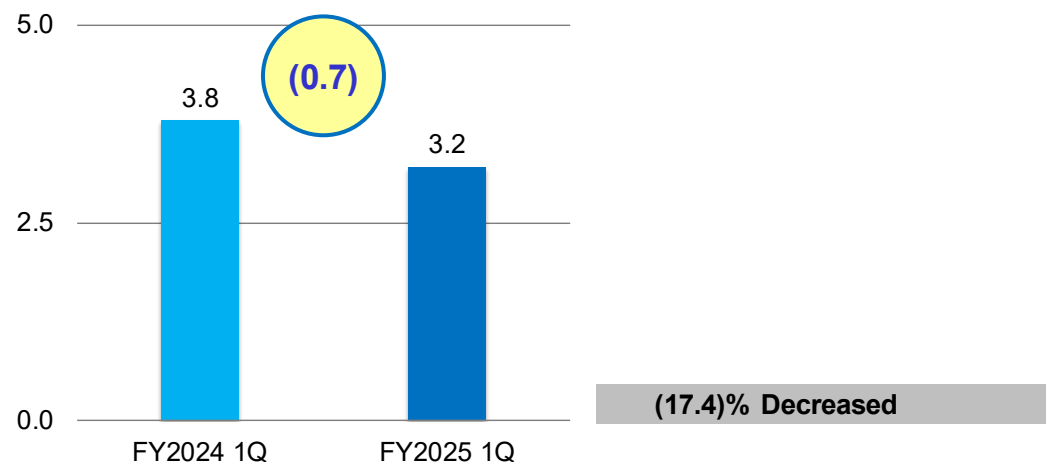
*1: Including both selling and purchase change

*2: Including inventory valuation changes

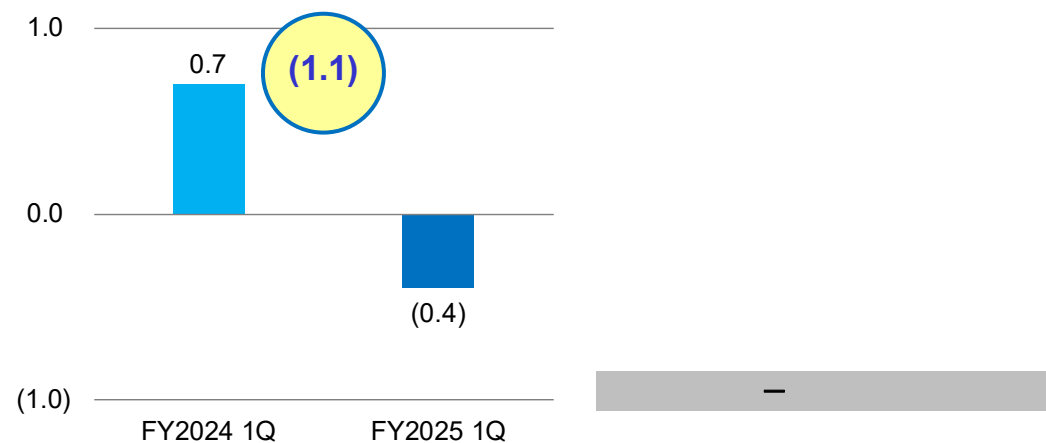
Analysis – High Performance Urethane

(Billions of yen)

Net Sales



Operating profit



Qualitative Information

Net sales: Down

- High-performance coatings: Weak sales of products in the overseas market

Operating profit: Down

- Weak sales of high-performance coatings in the overseas market

Note: The urethane systems business acquired in April 2025 is not included in the consolidated net sales and operating profit for FY2025 1Q, as the companies comprising the business have a December fiscal year-end.

Difference of operating profit

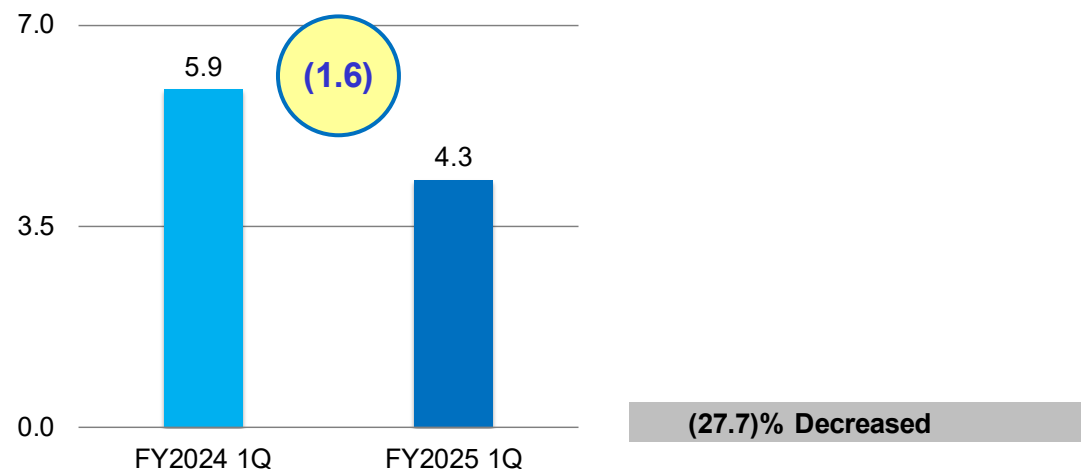
Price ^{*1}	(0.3)	
Volume	(0.1)	
Fixed Cost and Others ^{*2}	(0.7)	
計	(1.1)	

^{*1}: Including both selling and purchase change
^{*2}: Including inventory valuation changes

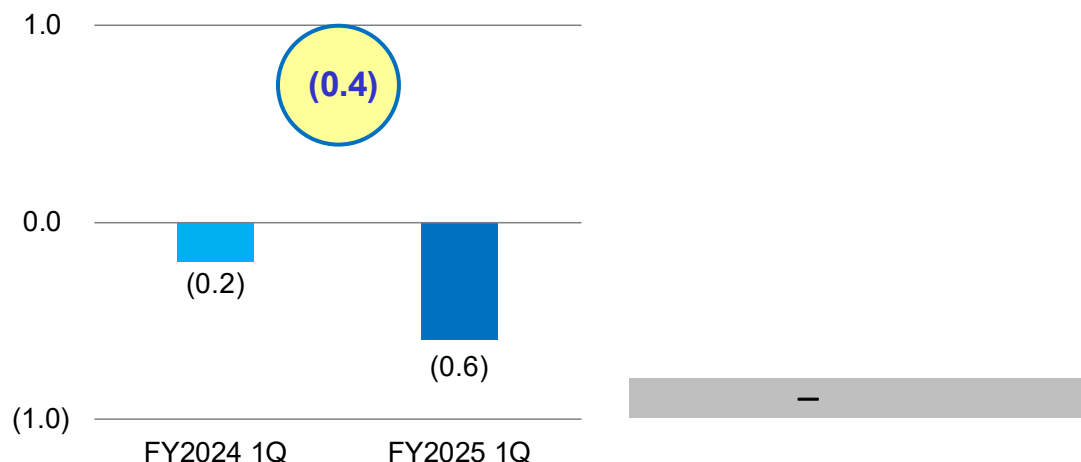
Analysis – Pharmaceutical

(Billions of yen)

Net Sales



Operating profit



Qualitative Information

Net sales: Down

- Pharmaceutical: Reduction in royalty revenues and drop in sales volume of contract pharmaceuticals

Operating profit: Down

- Reduction in royalty revenues and lower sales volume of contract pharmaceuticals

Difference of operating profit

Price ^{*1}	(0.0)
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Volume	(0.3)
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Fixed Cost and Others ^{*2}	(0.0)
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計	(0.4)
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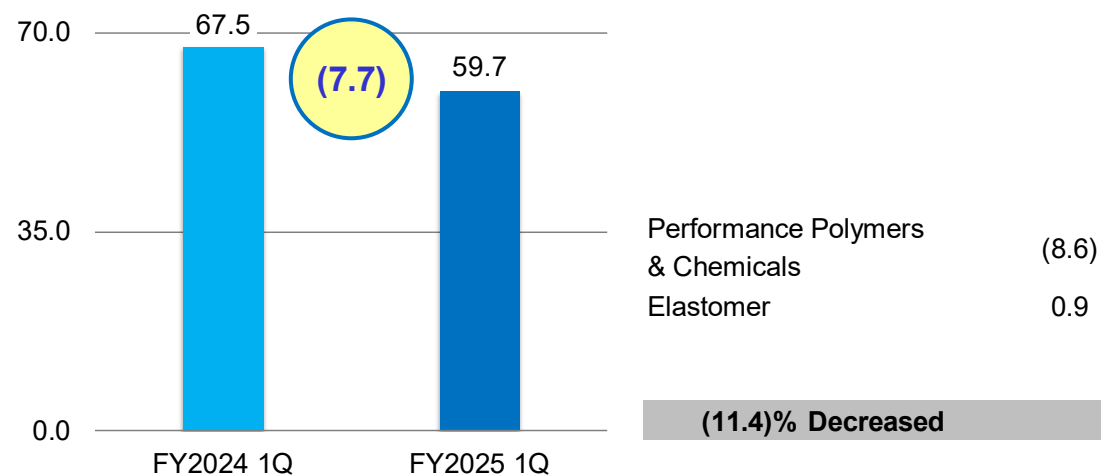
*1: Including both selling and purchase change

*2: Including inventory valuation changes

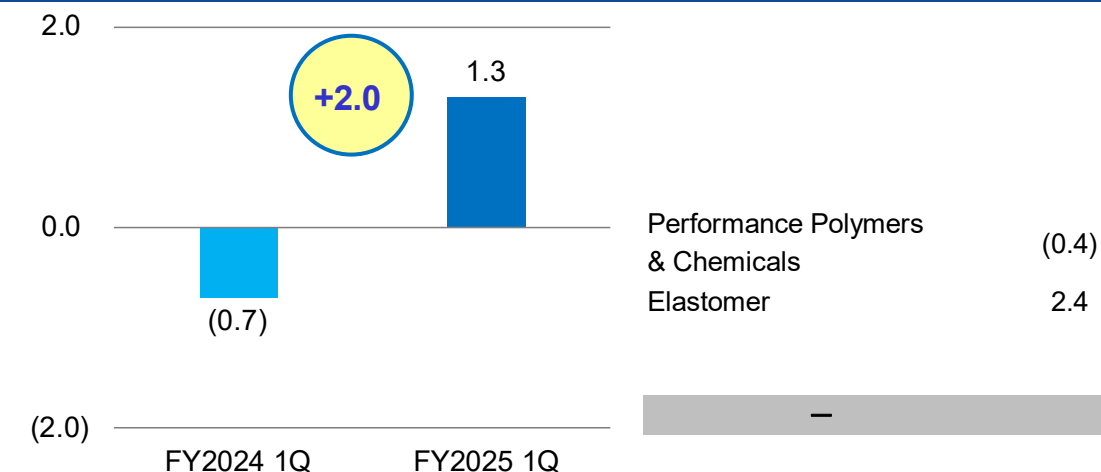
Analysis – Polymers & Chemicals

(Billions of yen)

Net Sales



Operating profit



Qualitative Information

Net sales: Down

- Nylon polymers: Decreases in sales volume and sales price because of sluggish demand for food packaging film, etc. in the overseas market
- Caprolactam & ammonium sulfate: Decline in sales volume and selling prices due to intensified competition

Operating profit: Up

- Increase in sales volume due to no biennial maintenance of the ammonia plant
- Strong performance of the elastomer business

Difference of operating profit

Price ^{*1}	3.1
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Volume	(0.1)
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Fixed Cost and Others ^{*2}	(1.0)
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Total	2.0
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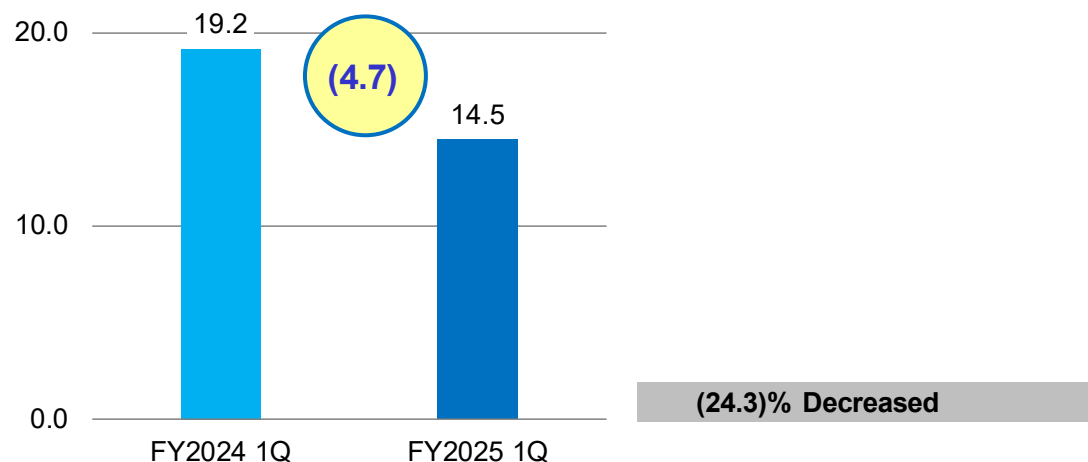
*1: Including both selling and purchase change

*2: Including inventory valuation changes

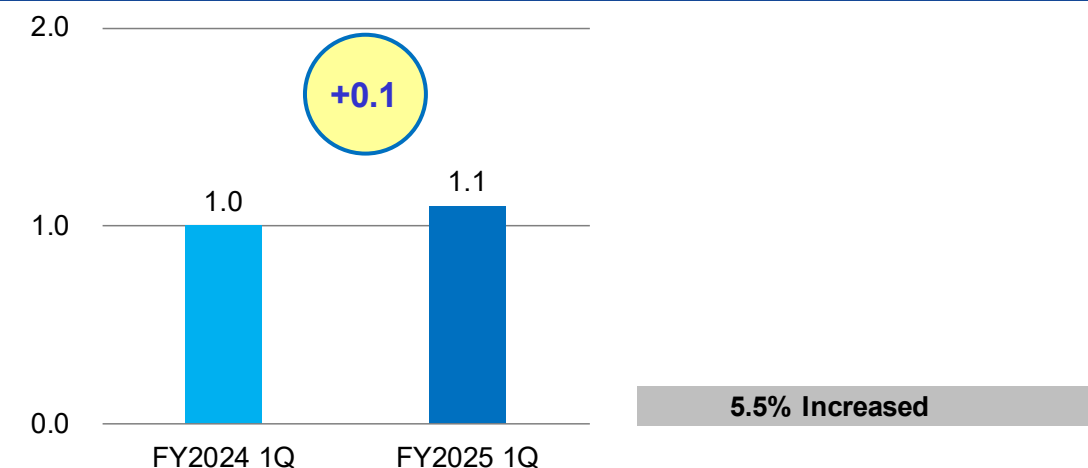
Analysis – Machinery

(Billions of yen)

Net Sales



Operating profit



Qualitative Information

Net sales: Down

- Transfer of management rights of the steel products business in FY2024 3Q

Operating profit: Up

- Strong performance of the molding machine business

Difference of operating profit

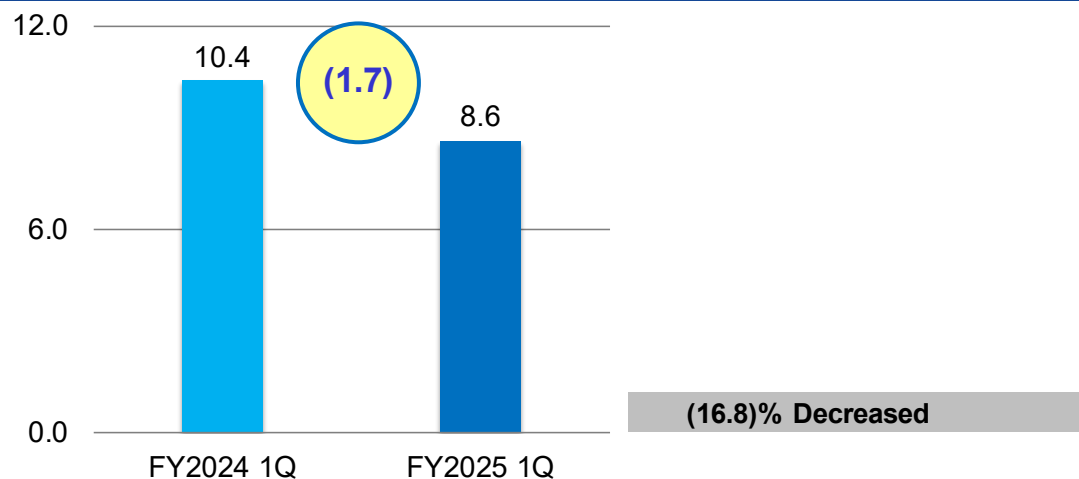
Marginal profit on machinery product: (0.9)

(Since machinery products are manufactured on an individual order basis, no analysis of differences in price and volume is performed.)

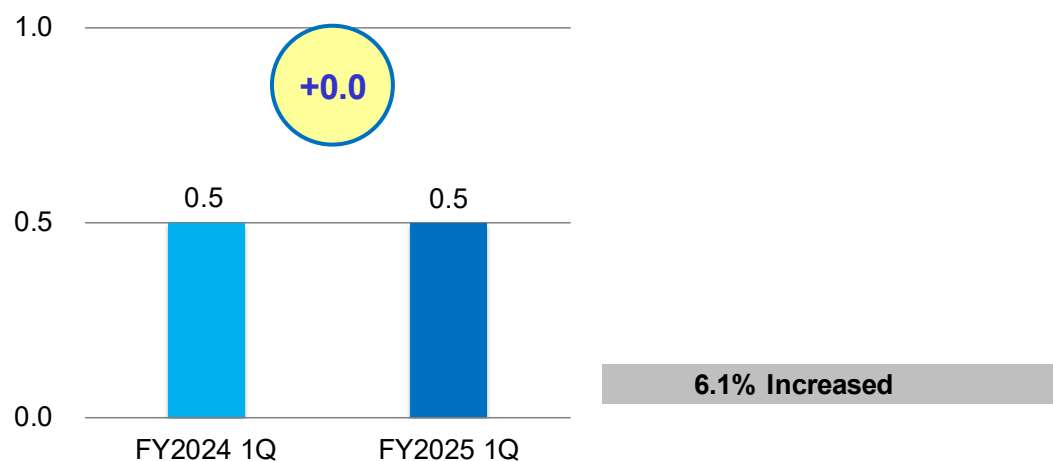
Analysis – Others

(Billions of yen)

Net Sales



Operating profit



Qualitative Information

Net sales: Down

- Power: Decline in electricity selling prices due to falling coal prices

Operating profit: Up

- Reduced repair expenses resulting from the absence of biennial maintenance at an in-house power plant

Difference of operating profit

Price ^{*1}	(0.8)
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Volume	0.1
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Fixed Cost and Others	0.8
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Total	0.0
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*1: Including both selling and purchase change

Operating Profit – Profit attributable to owners of parent

(Billions of yen)

Item	FY2024 1Q (A)	FY2025 1Q (B)	Difference (B) - (A)
Operating profit	2.9	3.0	0.0
Non-operating income (expenses)	4.1	3.3	(0.8)
Net interests expenses	0.1	(0.5)	(0.6)
Share of profit of entities accounted for using equitiy method	3.9	4.0	0.1
Share of profit of entities accounted for using equitiy method related to Mitsubishi UBE Cement Group	4.0	3.4	(0.7)
Foreign exchange gains	0.7	(0.1)	(0.8)
Others	(0.6)	(0.1)	0.5
Ordinary profit	7.0	6.2	(0.8)
Extraordinary income (losses)	0.2	(0.3)	(0.6)
Profit before income taxes	7.2	5.9	(1.3)
Income taxes and profit (loss) attributable to non-controlling interests	(2.4)	(1.5)	0.9
Profit attributable to owners of parent	4.8	4.4	(0.4)
Net income per share	49.49 yen	44.90 yen	(4.59) yen

Consolidated Balance Sheet

(Billions of yen)

Item		End of FY2024 (A)	End of FY2025 1Q (B)	Difference (B) - (A)
	Current assets	358.4	288.5	(69.9)
	Fixed assets	507.1	558.5	51.5
	Total assets	865.7	847.2	(18.4)
	Interest-bearing debt	330.5	316.7	(13.8)
	Other liabilities	123.1	120.5	(2.6)
	Total liabilities	453.7	437.2	(16.4)
	Shareholders' equity*	395.1	392.9	(2.2)
	Non-controlling interests and others	16.9	17.2	0.2
	Total net assets	412.0	410.0	(2.0)
Total liabilities and net assets		865.7	847.2	(18.4)

* Shareholders' equity = Net assets – Share acquisition rights – Non-controlling interests

Consolidated Statements of Cash Flows

(Billions of yen)

Item	FY2024 1Q	FY2025 1Q	
A.Cash flows from operating activities	1.7	20.9	Profit before income taxes 5.9 Depreciation and amortization 5.9 Increase in working capital 12.6, etc.
B.Cash flows from investing activities	(18.0)	(77.0)	Purchase of shares of subsidiaries resulting in change in scope of consolidation (71.5), etc.
Free cash flows (A+B)	(16.3)	(56.1)	
C.Cash flows from financing activities	11.7	(20.3)	Increase in interest-bearing debts (14.8) Dividends paid (5.5), etc.
D.Net increase/decrease in cash and cash equivalents	(3.3)	(74.9)	
E.Cash and cash equivalents at end of the period	32.6	40.6	

Reference

Progress of Major P/L Items

(Billions of yen)

Item	FY2024 Results (A)		FY2025 Forecast (B)		Difference (B) - (A)	
		1Q Progress		1Q Progress		1Q
Net sales	486.8	115.4 23.7%	490.0	100.5 20.5%	3.2	(14.9)
EBITDA	45.5	9.7 21.4%	55.0	8.9 16.3%	9.5	(0.8)
Operating profit	18.0	2.9 16.1%	25.0	3.0 11.8%	7.0	0.0
Ordinary profit	22.4	7.0 31.1%	37.5	6.2 16.6%	15.1	(0.8)
Profit (loss) attributable to owners of parent	(4.8)	4.8 — %	27.5	4.4 15.9%	32.3	(0.4)

Net Sales

(Billions of yen)

Segment	FY2025					Full-year (forecast)	Progress
	1Q	2Q	3Q	4Q	Total		
Specialty Products	15.0	—	—	—	15.0	71.0	21.1%
High Performance Urethane	3.2	—	—	—	3.2	51.0	6.2%
Pharmaceutical	4.3	—	—	—	4.3	24.0	17.9%
Polymers & Chemicals	59.7	—	—	—	59.7	257.0	23.2%
Machinery	14.5	—	—	—	14.5	76.0	19.1%
Others	8.6	—	—	—	8.6	35.5	24.3%
Adjustment	(4.8)	—	—	—	(4.8)	(24.5)	—%
Total	100.5	—	—	—	100.5	490.0	20.5%

Operating Profit

(Billions of yen)

Segment	FY2025					Full-year (forecast)	Progress
	1Q	2Q	3Q	4Q	Total		
Specialty Products	1.9	—	—	—	1.9	13.5	13.9%
High Performance Urethane	(0.4)	—	—	—	(0.4)	2.0	—%
Pharmaceutical	(0.6)	—	—	—	(0.6)	1.0	—%
Polymers & Chemicals	1.3	—	—	—	1.3	6.0	21.9%
Machinery	1.1	—	—	—	1.1	6.5	16.2%
Others	0.5	—	—	—	0.5	2.0	26.0%
Adjustment	(0.8)	—	—	—	(0.8)	(6.0)	—%
Total	3.0	—	—	—	3.0	25.0	11.8%

1Q on 4Q – Net Sales

(Billions of yen)

Segment	FY2024 4Q (A)	FY2025 1Q (B)	Difference (B) - (A)	Major factors
Specialty Products	18.7	15.0	(3.7)	
High Performance Urethane	4.2	3.2	(1.0)	
Pharmaceutical	6.3	4.3	(2.0)	
Polymers & Chemicals	69.6	59.7	(9.9)	Performance Polymers & Chemicals (8.9) Elastomer (1.0)
Machinery	24.5	14.5	(9.9)	
Others	9.7	8.6	(1.1)	
Adjustment	(5.7)	(4.8)	0.9	
Total	127.2	100.5	(26.7)	

Note: Starting from FY2025, the segments have been increased from the four segments of “Specialty Products,” “Polymers & Chemicals,” “Machinery,” and “Others” to the six segments of “Specialty Products,” “High Performance Urethane,” “Pharmaceutical,” “Polymers & Chemicals,” “Machinery,” and “Others.” The results for FY2024 4Q are figures reflecting the segment reclassification.

1Q on 4Q – Operating Profit

(Billions of yen)

Segment	FY2024 4Q (A)	FY2025 1Q (B)	Difference (B) - (A)	Major factors
Specialty Products	4.6	1.9	(2.7)	
High Performance Urethane	(0.3)	(0.4)	(0.1)	
Pharmaceutical	0.2	(0.6)	(0.8)	
Polymers & Chemicals	1.7	1.3	(0.3)	Performance Polymers & Chemicals (1.4) Elastomer 1.1
Machinery	3.0	1.1	(1.9)	
Others	0.5	0.5	0.1	
Adjustment	(1.1)	(0.8)	0.3	
Total	8.5	3.0	(5.6)	

Note: Starting from FY2025, the segments have been increased from the four segments of “Specialty Products,” “Polymers & Chemicals,” “Machinery,” and “Others” to the six segments of “Specialty Products,” “High Performance Urethane,” “Pharmaceutical,” “Polymers & Chemicals,” “Machinery,” and “Others.” The results for FY2024 4Q are figures reflecting the segment reclassification.

Net Sales and Operating Profit by Business Portfolio

(Billions of yen)

Net sales	Business portfolio	FY2024 1Q (A)	FY2025 1Q (B)	Difference (B) - (A)	FY2025 full-year (forecast)	Progress
	Specialty business	39.2	37.2	(2.0)	205.0	18.1%
	Restructuring business	50.8	44.7	(6.1)	194.0	23.0%
	Machinery business	19.2	14.5	(4.7)	76.0	19.1%
	Other businesses (incl. adjustment)	6.3	4.1	(2.2)	15.0	27.1%
	Total	115.4	100.5	(14.9)	490.0	20.5%
Operating profit	Specialty business	4.0	3.8	(0.1)	21.5	17.9%
	Restructuring business	(1.5)	(1.4)	0.0	3.0	—
	Machinery business	1.0	1.1	0.1	6.5	16.2%
	Other businesses (incl. adjustment)	(0.6)	(0.5)	0.1	(6.0)	—
	Total	2.9	3.0	0.0	25.0	11.8%

Note: Starting from FY2025, portfolio classification has been changed. The results for FY2024 1Q are figures reflecting the portfolio reclassification.

Mitsubishi UBE Cement

■ Major P/L Items (Billions of yen) Mitsubishi UBE Cement Corporation and Consolidated Subsidiaries

Item		FY2024 1Q	FY2025 1Q	FY2025 full-year (forecast)*1
Net sales	Domestic business	90.6	85.7	380.0
	Overseas business	52.8	45.0	190.0
	Total	143.4	130.8	570.0
Operating profit	Domestic business	2.5	2.1	22.0
	Overseas business	11.4	8.9	30.0
	Total	13.8	11.0	52.0
Ordinary profit		15.1	12.0	52.0
Profit attributable to owners of parent		7.8	6.5	28.0

■ Share of profit of entities accounted for using equity method in UBE's Consolidated Statements of Income

Share of profit of entities accounted for using equity method	4.0	3.4
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■ Environmental Factors

Item		FY2024 1Q	FY2025 1Q	FY2025 full-year (forecast)*1
Total demand for cement in Japan	(million tons)	8.16	7.64	32.00
Cement sales volumes in Japan	(million tons)	1.92	1.87	7.75
Cement sales volumes in the U.S.	(million tons)	0.42	0.42	1.70
Ready-mixed concrete sales volumes in the U.S.	(million cy)	1.82	1.64	6.70
Coal Price*2	(\$ /t)	136	100	150
Exchange Rate	(Yen/\$)	155	145	145

*1 The FY2025 forecasts are the figures announced in May 2025.

*2 The above thermal coal prices are reference indices and differ from actual procurement prices.

(Reference) Consolidated Balance Sheet at the end of FY2025 1Q (Billions of yen)

Total assets	792.7	Interest-bearing debt	193.7	Shareholder's equity	344.1
Shareholder's equity ratio	43.4%	D/E ratio	0.56 Times		

- Businesses in Japan:
Although there were positive effects from cement price increases and lower thermal energy prices, the overall domestic business saw a decrease in net sales and operating profit due to factors such as a reduction in electricity sales volume resulting from the biennial maintenance at a IPP power plant.
- Businesses outside Japan:
The U.S. business saw decreases in net sales and operating profit due to factors such as a decline in ready-mix concrete sales volume resulting from weak demand. On the other hand, the Australian coal business maintained sales volume and prices at the previous year's levels, resulting in profits in line with the previous year.

Consolidated Key Indicators

(Billions of yen)

Item	FY2024 1Q	FY2025 1Q	FY2025 full-year (forecast)	FY2024 full-year
Capital investment	13.5	7.8	86.0	60.7
Depreciation and amortization	6.7	5.9	27.0	27.2
Research and development expenses	2.5	2.5	12.5	9.9
Adjusted operating profit *	7.2	7.3	42.0	27.0
Interest-bearing debt	231.1	316.7	380.0	330.5
Shareholders' equity	418.0	392.9	410.0	395.1
Total assets	807.5	847.2	950.0	865.7
D/E ratio (times)	0.55	0.81	0.93	0.84
Shareholders' equity ratio (%)	51.8	46.4	43.2	45.6
Return on sales - ROS (%)	2.5	2.9	5.1	3.7
Return on assets - ROA (%)	—	—	4.6	3.3
Return on equity – ROE (%)	—	—	6.8	(1.2)
Return on invested capital - ROIC (%)	—	—	4.4	3.0

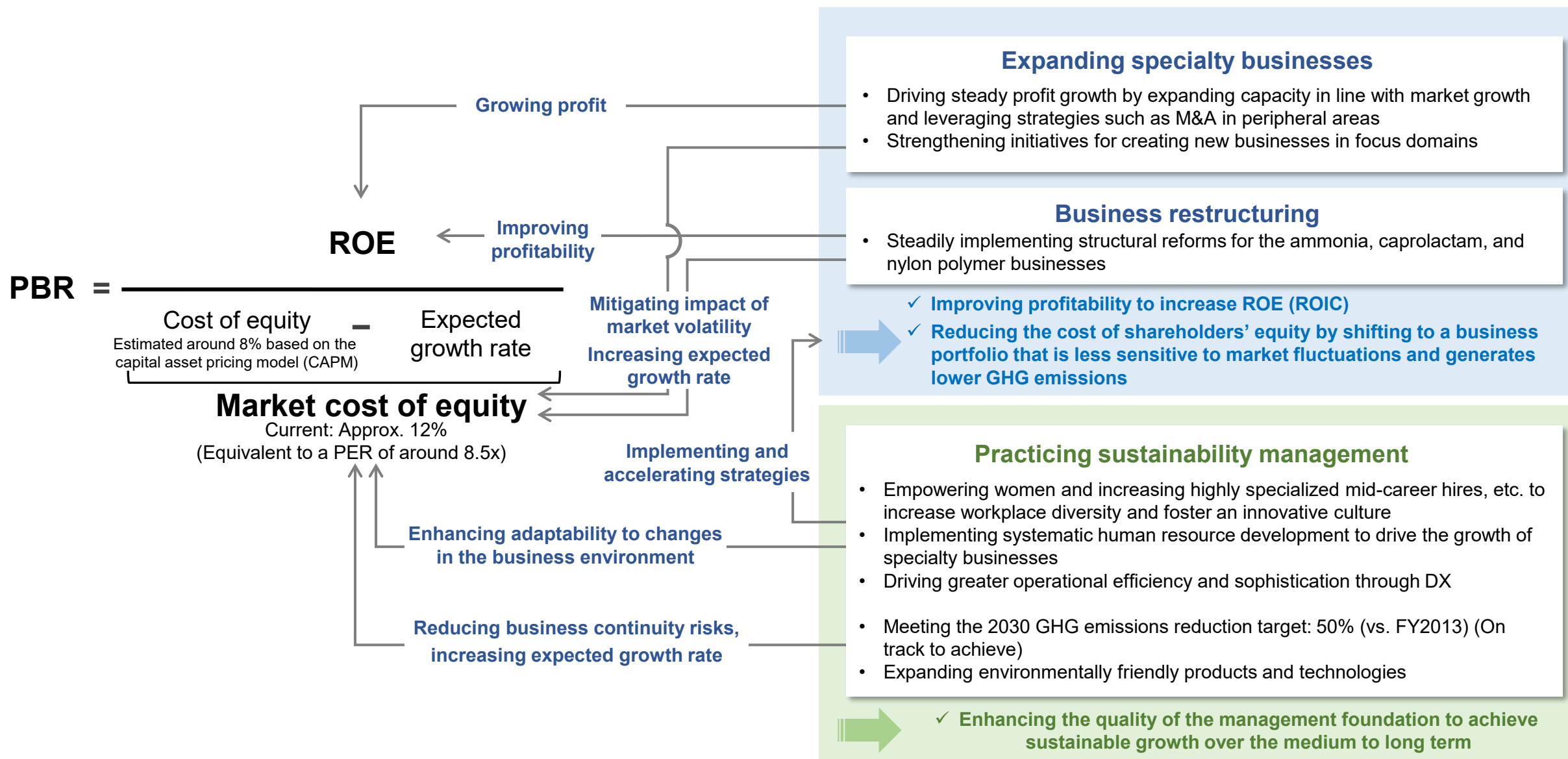
* Adjusted operating profit: Operating profit + Interest and dividend income + Share of profit (loss) of entities accounted for using equity method

Consolidated Major Subsidiaries

(Billions of yen)

Subsidiaries	Business	Net Sales FY2025 1Q	Difference of operating profit from FY2024 1Q*
UBE CORPORATION EUROPE S.A.U.	Manufacture and sales of composites, nylon polymers, caprolactam, ammonium sulfate, high-performance coatings and other products	13.2	↓
UBE Chemicals (Asia) Public Company Limited	Manufacture and sales of composites, nylon polymers, caprolactam and ammonium sulfate	9.5	↓
THAI SYNTHETIC RUBBERS COMPANY LIMITED	Manufacture and sales of polybutadiene rubber (synthetic rubber)	6.3	↑
UBE FILM, LTD.	Manufacture and sales of plastic film products	2.6	→
UBE EXSYMO CO., LTD.	Manufacture and sales of electronic and information communication-related products	3.2	↑
UBE MACHINERY CORPORATION, Ltd.	Manufacture and sales of molding machines, industrial machinery and bridge, etc. After-sales services for molding machines and industrial machinery	10.7	→

* ↑↓ represent an increase or decrease of over 0.1 billion JPY



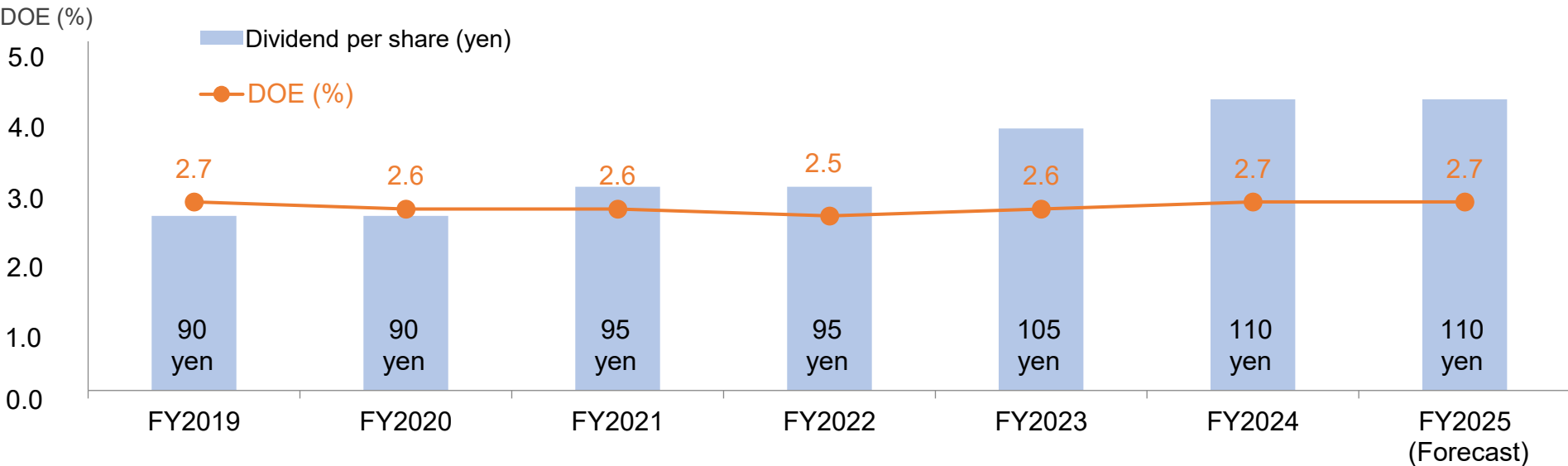
The Group will maintain a stable dividend as a basic policy, setting the dividend on equity (DOE) at 2.5% or higher. Based on the progress of the medium-term management plan, the Group will aim to further raise the DOE during the latter three years.

Previous medium-term management plan
1st Stage (FY2022-2024)

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

Current medium-term management plan
2nd Stage (FY2025-2030)

Dividend on equity (DOE): 2.5% or higher
(Aiming for progressive dividends)



Quarterly Factors Causing Fluctuation in Profits/Losses

Quarter	Segment	Factor
Q1	Polymers & Chemicals	Regular maintenance and repairs conducted at the ammonia plant (Ube area) in even-numbered years have a negative impact on operating profit of the Polymers & Chemicals segment.
	Company-wide	Regular maintenance and repairs conducted at the private power plant (Ube area) in even-numbered years have a negative impact on the company's operating profit.
Latter half of Q2 through Q3	Polymers & Chemicals	Sales volume of caprolactam, a raw material for nylon, increases due to demand for fall and winter apparel. This has a positive impact on the operating profit of the caprolactam business.
Q4	Polymers & Chemicals	Annual maintenance and repairs conducted at the synthetic rubber plant (Chiba area) have a negative impact on the operating profit of the elastomer business.
	Machinery	Sales and profits are recorded mainly in the fourth quarter. This has a positive impact on the operating profit of the molding and industrial machines businesses.

- **UBE Corporation**

- **Announcement of 1st Half FY2025 Financial Results**

- **November 7, 2025 15:30**

- **1st Half FY2025 Financial Results Briefing**

- **November 7, 2025 18:00 — 18:45**

- **Mitsubishi UBE Cement Corporation**

- **1st Quarter FY2025 Financial Results Briefing**

- **August 19, 2025 16:00 — 16:40**

(Note) This schedule is subject to change without notice due to circumstances



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