UBE Corporation

# Financial Results for the 1st Half FY2025

## Explanatory material

November 7, 2025

1st Half: April - September

# FY2025 1st Half Consolidated Result

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# Scope of Consolidation

| Item | End of FY2024 (A) | End of FY2025 2Q (B) | Difference (B) - (A) | Notes |
|---|---|---|---|---|
| Number of consolidated subsidiaries | 34 | 45 | 11 | ＋ LANXESS Solutions Australia Pty. Ltd.<br>＋ SISTEMAS DE URETANOS DO BRASIL LTDA.<br>＋ Urethane Systems Canada Ltd.<br>＋ Chemtura China Holding Co., Ltd.<br>＋ LANXESS Advanced Materials (Nantong) Co., Ltd.<br>＋ Elfte LXS GmbH<br>＋ LANXESS SOLUTIONS INDIA PRIVATE LIMITED<br>＋ LANXESS Solutions Italy S.r.l.<br>＋ LANXESS Sales Netherlands B.V.<br>＋ LANXESS Urethanes UK LTD<br>＋ URETHANE SYSTEMS USA LLC |
| Number of equity method affiliates | 17 | 17 | — | |
| Total | 51 | 62 | 11 | |

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# Environmental Factors

<table>
<tr><th colspan="4" rowspan="2">Item</th><th>FY2024 2Q</th><th>FY2025 2Q</th><th>Difference</th></tr>
<tr><th>(A)</th><th>(B)</th><th>(B) - (A)</th></tr>
<tr><td colspan="3">Exchange Rate</td><td>Yen/$</td><td>152.6</td><td>146.0</td><td>(6.6)</td></tr>
<tr><td rowspan="4">Material Price</td><td rowspan="2">Naphtha</td><td>CIF</td><td>$/t</td><td>714</td><td>617</td><td>(97)</td></tr>
<tr><td>Domestic</td><td>Yen/KL</td><td>77,950</td><td>64,800</td><td>(13,150)</td></tr>
<tr><td colspan="2" rowspan="2">Australian Coal (CIF)</td><td>$/t</td><td>162.0</td><td>139.0</td><td>(23.0)</td></tr>
<tr><td>Yen/t</td><td>24,726</td><td>20,299</td><td>(4,427)</td></tr>
</table>

# Major P/L Items

(Billions of yen)

| Item | FY2024 2Q (A) | FY2025 2Q (B) | Difference (B) - (A) | Percentage change |
|---|---|---|---|---|
| Net sales | 243.0 | 212.7 | (30.3) | (12.5)% |
| EBITDA | 19.8 | 21.3 | 1.6 | 7.9% |
| Operating profit | 6.0 | 8.3 | 2.2 | 36.4% |
| Ordinary profit | 1.9 | 15.9 | 14.0 | 737.9% |
| Profit attributable to owners of parent | 0.3 | 10.9 | 10.6 | — |

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# Segment Change

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

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

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# Net Sales and Operating Profit by Segment

(Billions of yen)

| | Segment | FY2024 2Q (A) | FY2025 2Q (B) | Difference (B) - (A) | Percentage change |
|---|---|---|---|---|---|
| Net sales | Specialty Products | 31.7 | 29.8 | (1.9) | (5.9)% |
| | High Performance Urethane | 7.4 | 17.0 | 9.7 | 131.4% |
| | Pharmaceutical | 15.9 | 10.5 | (5.4) | (33.9)% |
| | Polymers & Chemicals | 137.8 | 118.5 | (19.2) | (14.0)% |
| | Machinery | 43.0 | 29.8 | (13.3) | (30.8)% |
| | Others | 20.7 | 16.7 | (4.0) | (19.3)% |
| | Adjustment | (13.3) | (9.6) | 3.7 | - |
| | Total | 243.0 | 212.7 | (30.3) | (12.5)% |
| Operating profit | Specialty Products | 5.0 | 4.3 | (0.7) | (14.3)% |
| | High Performance Urethane | 0.8 | (0.6) | (1.3) | - |
| | Pharmaceutical | 0.7 | (0.5) | (1.2) | - |
| | Polymers & Chemicals | (2.5) | 4.2 | 6.7 | - |
| | Machinery | 3.0 | 1.9 | (1.1) | (36.6)% |
| | Others | 1.0 | 1.0 | 0.0 | 0.8% |
| | Adjustment | (1.9) | (2.1) | (0.1) | - |
| | Total | 6.0 | 8.3 | 2.2 | 36.4% |

Note: Starting from FY2025, the reportable segments have been revised from the previous 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 the first half of FY2024 are figures reflecting the segment reclassification.

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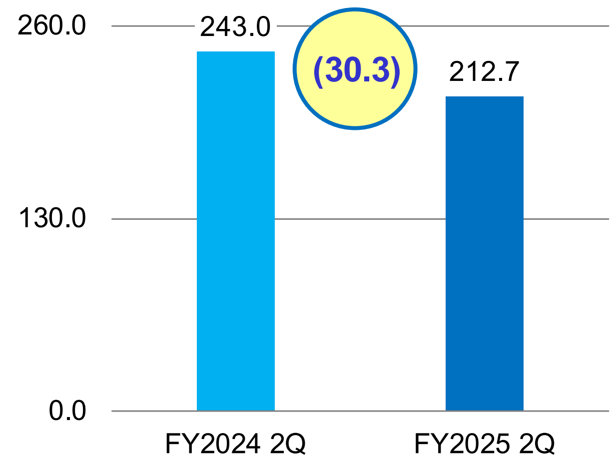
# Analysis – Total

(Billions of yen)

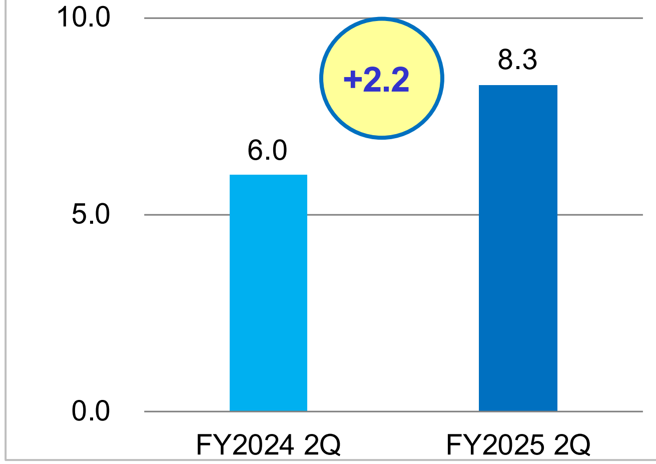
## Net Sales




| | |
|---|---|
| Specialty Products | (1.9) |
| High Performance Urethane | 9.7 |
| Pharmaceutical | (5.4) |
| Polymers & Chemicals | (19.2) |
| Machinery | (13.3) |
| Others | (4.0) |
| Adjustment | 3.7 |

**(12.5)% Decreased**

## Operating profit




| | |
|---|---|
| Specialty Products | (0.7) |
| High Performance Urethane | (1.3) |
| Pharmaceutical | (1.2) |
| Polymers & Chemicals | 6.7 |
| Machinery | (1.1) |
| Others | 0.0 |
| Adjustment | (0.1) |

**36.4% Increased**

## Qualitative Information

Net sales: Down

- Polymers & Chemicals: Sluggish sales of nylon polymers and caprolactam
- Machinery: Exclusion of the Steel Products Business from the scope of consolidation following the transfer of its management rights to another company in FY2024 3Q

Operating profit: Up

- Polymers & Chemicals: Reduced repair costs and increased sales volume due to no large-scale biennial maintenance at the ammonia plant
- Polymers & Chemicals: Decline in raw material prices of elastomers

## Difference of operating profit

| | |
|---|---|
| Price *1 | 5.5 |
| Volume | (2.4) |
| Fixed Cost and Others *2 | (0.9) |
| **Total** | **2.2** |

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

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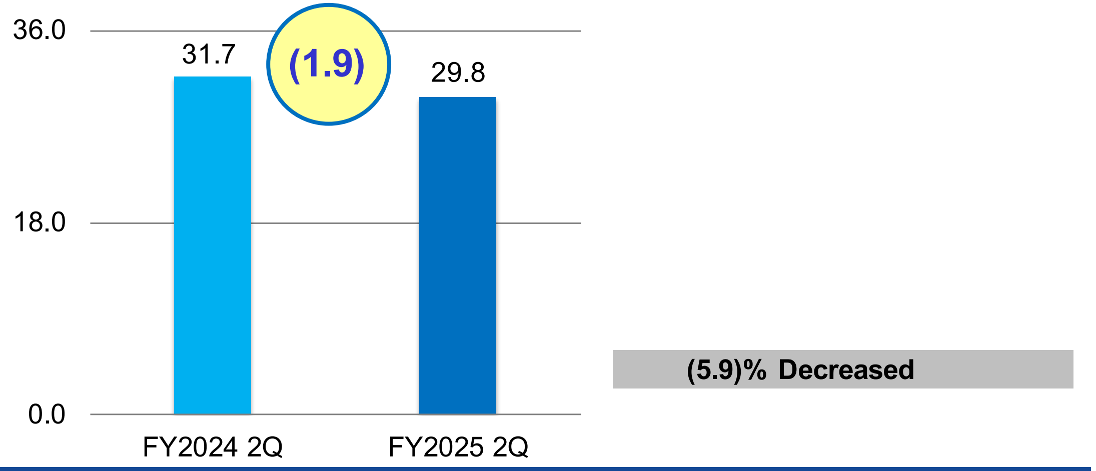
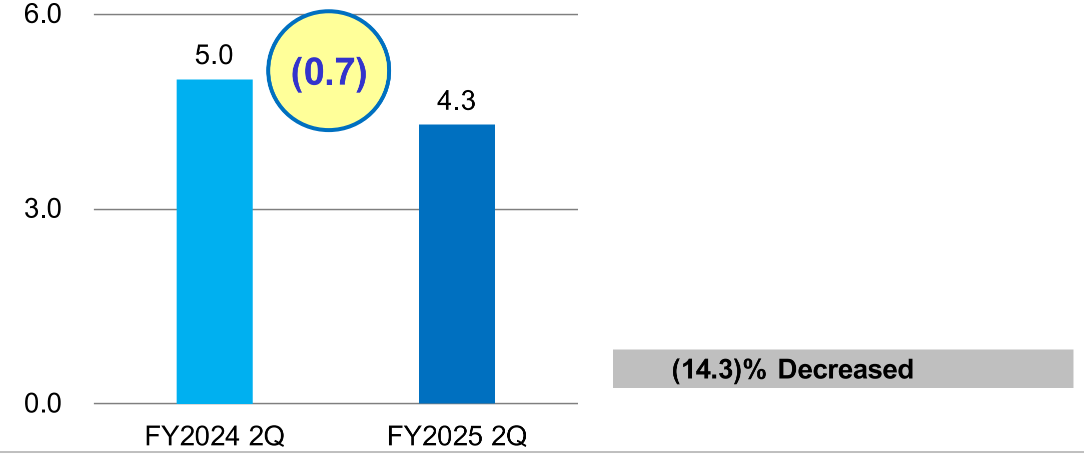
# Analysis – Specialty Products

(Billions of yen)

## Net Sales




## Operating profit




## Qualitative Information

Net sales: Down

- Polyimide: Sluggish varnish sales in 1Q, impacted by declining smartphone sales and customer inventory adjustments
- Separation membranes: Continued impact of inventory adjustments by certain customers on $CO_2$ separation membranes for biomethane production
- Ceramics: Decline in sales of products for bearings and substrates due to xEV market slowdown
- 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 | 1.5 |
| Volume | (1.9) |
| Fixed Cost and Others *2 | (0.4) |
| **Total** | **(0.7)** |

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

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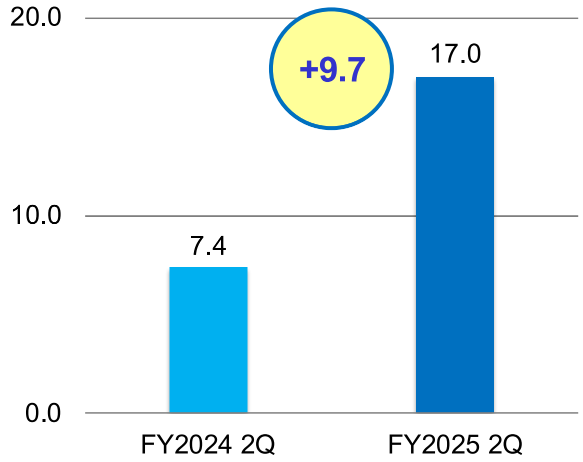
# Analysis – High Performance Urethane

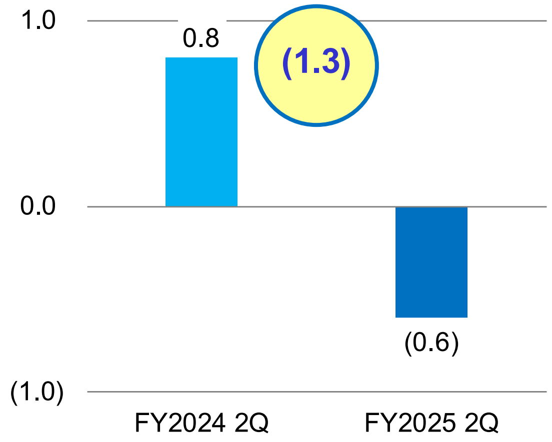
(Billions of yen)

## Net Sales




131.4% Increased

## Operating profit

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## Qualitative Information

Net sales: Up

- Urethane systems: Acquired in April 2025, with 2Q results reflecting April–June performance because the companies operating this business have a December fiscal year-end. Robust sales mainly in the U.S. market

Operating profit: Down

- Recorded expenses related to post-merger integration (PMI) in the urethane systems business
- Weak sales of high-performance coatings

## Difference of operating profit

| | |
|---|---|
| Price *1 | (1.0) |
| Volume | (0.2) |
| Fixed Cost and Others *2 | (0.2) |
| **Total** | **(1.3)** |

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

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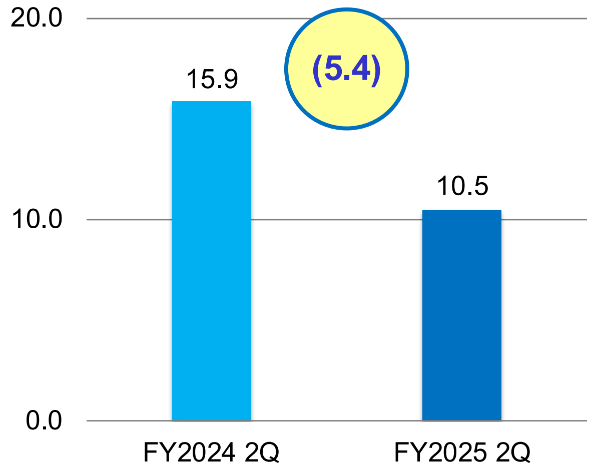
# Analysis – Pharmaceutical

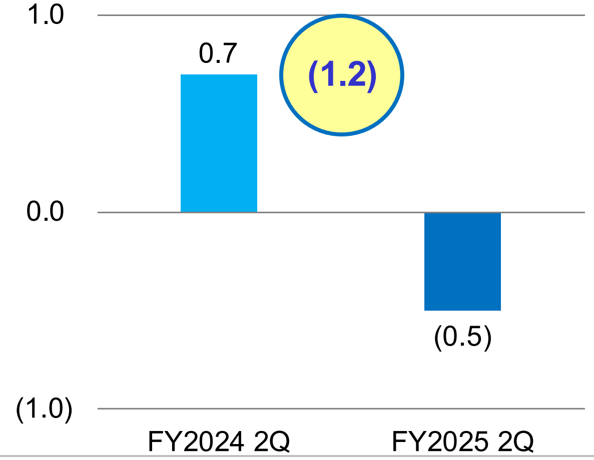
(Billions of yen)

## Net Sales




(33.9)% Decreased

## Operating profit

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## Qualitative Information

Net sales: Down

- Reduction in sales volume of contract pharmaceuticals

Operating profit: Down

- Reduction in sales volume of contract pharmaceuticals

## Difference of operating profit

| | |
|---|---|
| Price *1 | 0.3 |
| Volume | (1.4) |
| Fixed Cost and Others *2 | (0.0) |
| **Total** | **(1.2)** |

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

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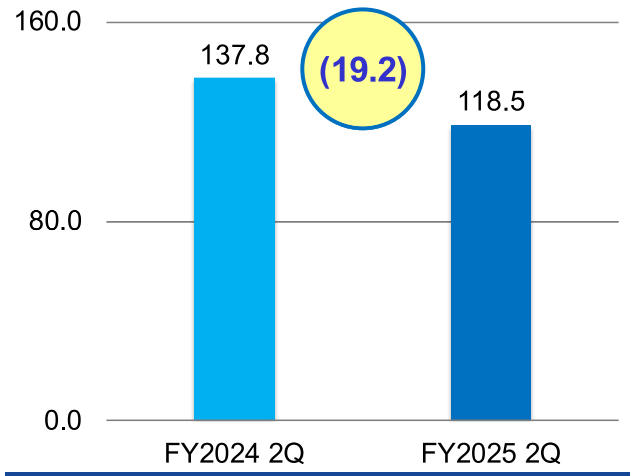
# Analysis – Polymers & Chemicals

(Billions of yen)

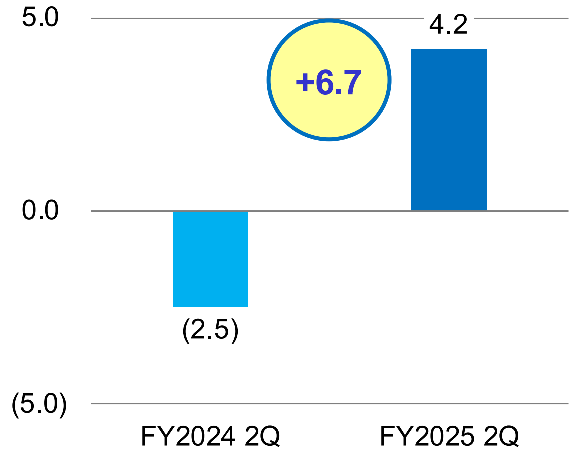
## Net Sales




| | |
|---|---|
| Performance Polymers & Chemicals | (18.6) |
| Elastomer | (0.6) |

**(14.0)% Decreased**

## Operating profit




| | |
|---|---|
| Performance Polymers & Chemicals | 3.4 |
| Elastomer | 3.3 |

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## Qualitative Information

Net sales: Down

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

Operating profit: Up

- Reduced repair costs and increased sales volume due to no large-scale biennial maintenance at the ammonia plant
- Decline in raw material prices of elastomers

## Difference of operating profit

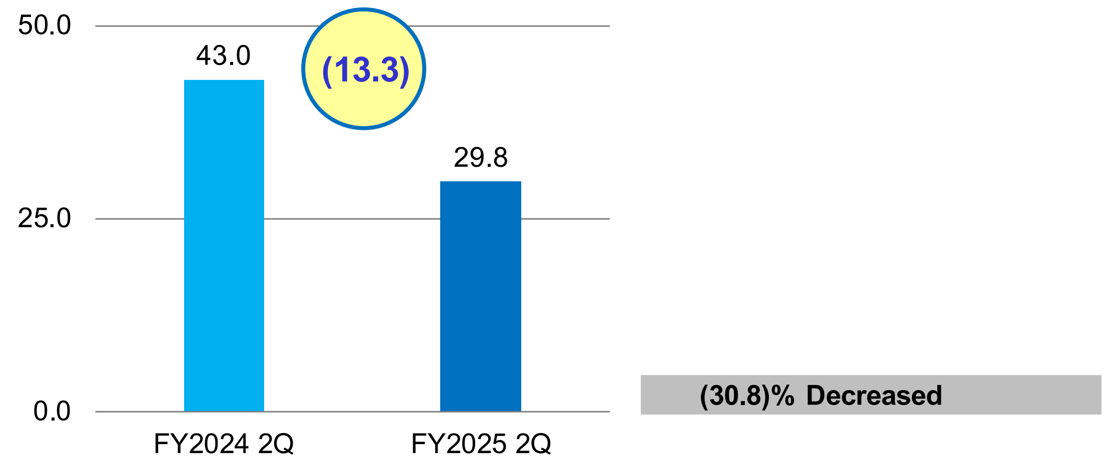
| | |
|---|---|
| Price *1 | 5.9 |
| Volume | 0.8 |
| Fixed Cost and Others *2 | (0.1) |
| **Total** | **6.7** |

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

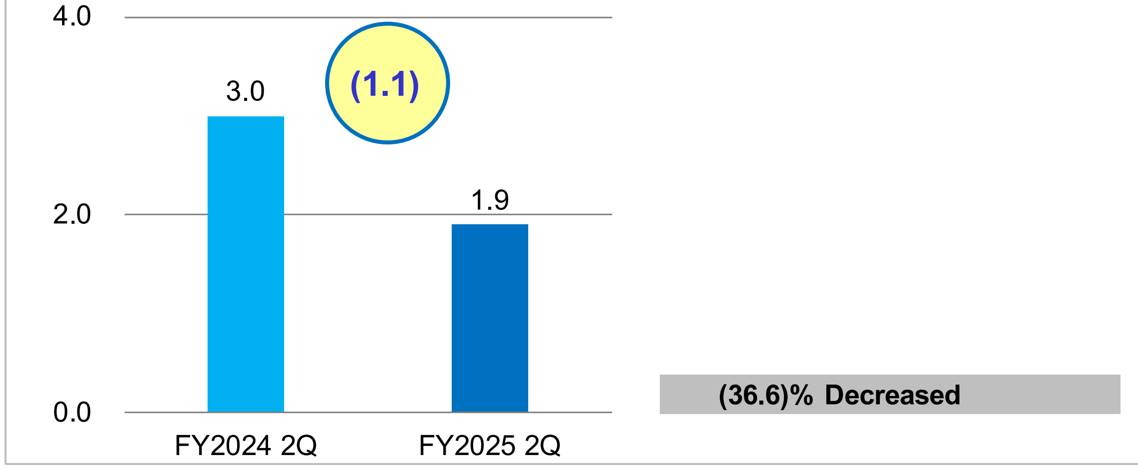
# Analysis – Machinery

(Billions of yen)

## Net Sales




## Operating profit




## Qualitative Information

Net sales: Down

- Exclusion of the Steel Products Business from the scope of consolidation following the transfer of its management rights to another company in FY2024 3Q

Operating profit: Down

- Weak sales of the industrial machine products

## Difference of operating profit

Marginal profit on machinery product: (2.9)

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

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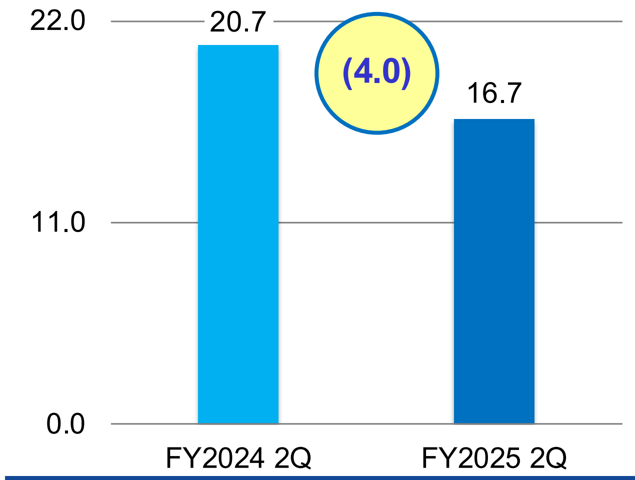
# Analysis – Others

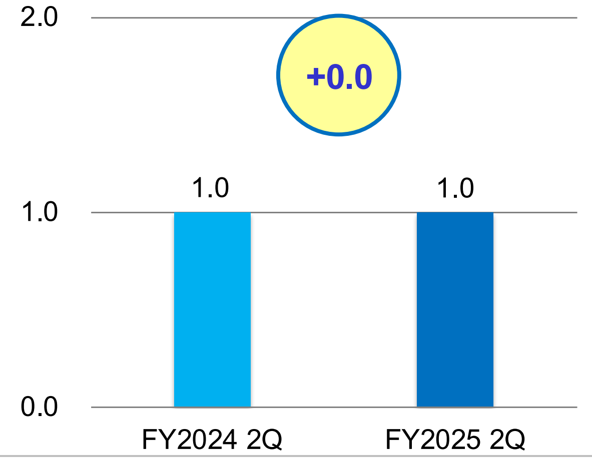
(Billions of yen)

## Net Sales




(19.3)% Decreased

## Operating profit




0.8% Increased

## Qualitative Information

Net sales: Down

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

Operating profit: Up

- Reduced repair expenses due to no large-scale biennial maintenance at an in-house power plant

## Difference of operating profit

| | |
|---|---|
| Price *1 | (1.2) |
| Volume | 0.2 |
| Fixed Cost and Others | 1.0 |
| **Total** | **0.0** |

*1: Including both selling and purchase change

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# Operating Profit － Profit Attributable to Owners of Parent

(Billions of yen)

| Item | FY2024 2Q (A) | FY2025 2Q (B) | Difference (B) - (A) |
|---|---|---|---|
| Operating profit | 6.0 | 8.3 | 2.2 |
| Non-operating income (expenses) | (4.2) | 7.7 | 11.8 |
| Net interests expenses | 0.0 | (1.2) | (1.2) |
| Share of profit (loss) of entities accounted for using equtiy method | (1.4) | 7.9 | 9.3 |
| Share of profit of entities accounted for using equtiy method related to Mitsubishi UBE Cement Group | 8.1 | 6.8 | (1.3) |
| Foreign exchange gains | (1.3) | 1.2 | 2.5 |
| Others | (1.4) | (0.3) | 1.2 |
| Ordinary profit | 1.9 | 15.9 | 14.0 |
| Extraordinary income (losses) | 0.1 | (1.9) | (2.0) |
| Profit before income taxes | 2.0 | 14.0 | 12.0 |
| Income taxes and profit (loss) attributable to non-controlling interests | (1.7) | (3.1) | (1.4) |
| Profit attributable to owners of parent | 0.3 | 10.9 | 10.6 |
| Net income per share | 3.28 yen | 112.08 yen | 108.80 yen |

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# Consolidated Balance Sheet

(Billions of yen)

| Item | | End of FY2024<br>(A) | End of FY2025 2Q<br>(B) | Difference<br>(B) - (A) |
|---|---|---|---|---|
| | Current assets | 358.4 | 290.8 | (67.6) |
| | Fixed assets | 507.1 | 574.8 | 67.8 |
| Total assets | | 865.7 | 865.8 | 0.2 |
| | Interest-bearing debt | 330.5 | 321.8 | (8.8) |
| | Other liabilities | 123.1 | 119.9 | (3.2) |
| Total liabilities | | 453.7 | 441.7 | (12.0) |
| | Shareholders’ equity * | 395.1 | 406.7 | 11.6 |
| | Non-controlling interests and others | 16.9 | 17.5 | 0.5 |
| Total net assets | | 412.0 | 424.1 | 12.1 |
| Total liabilities and net assets | | 865.7 | 865.8 | 0.2 |

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

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# Consolidated Statements of Cash Flows

(Billions of yen)

| Item | FY2024 2Q | FY2025 2Q | |
|---|---|---|---|
| A.Cash flows from operating activities | 6.3 | 31.6 | Profit before income taxes 14.0<br>Depreciation and amortization 12.3<br>Increase in working capital 13.0, etc. |
| B.Cash flows from investing activities | (33.1) | (88.8) | Acquisition of PP&E and intangible asset (24.7)<br>Purchase of shares of subsidiaries resulting in change in scope of consolidation (71.5), etc. |
| Free cash flows (A+B) | (26.8) | (57.2) | |
| C.Cash flows from financing activities | 19.2 | (16.1) | Increase in interest-bearing debts (10.0)<br>Dividends paid (6.1), etc. |
| D.Net increase/decrease in cash and cash equivalents | (7.3) | (71.3) | |
| E.Cash and cash equivalents at end of the period | 28.6 | 44.2 | |

# FY2025 Consolidated Forecasts

There are no changes to major items in the consolidated earnings forecast announced on May 12, 2025. However, the outlook for each segment has been revised to reflect the latest market conditions.

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# Environmental Factors

| Item | | | | FY2024<br>(A) | FY2025<br>(B) | Difference<br>(B) - (A) |
|---|---|---|---|---|---|---|
| Exchange Rate | | | Yen/$ | 152.6 | 148.0<br>[150.0→150.0] | (4.6)<br>[0.0] |
| Material Price | Naphtha | CIF | $/t | 695 | 645<br>[680→650] | (50)<br>[(30)] |
| | | Domestic | Yen/KL | 75,700 | 66,800<br>[72,900→67,400] | (8,900)<br>[(5,500)] |
| | Australian Coal (CIF) | | $/t | 157.8 | 137.0<br>[140.0→134.0] | (20.8)<br>[(6.0)] |
| | | | Yen/t | 24,069 | 20,280<br>[21,000→20,100] | (3,789)<br>[(900)] |

[ ] indicates change from the previous forecast figures for the second half only to the latest forecast figures for the second half only.

# Major P/L Items

(Billions of yen)

| Item | FY2024 (A) | FY2025 (B) | Difference (B) - (A) | Percentage change |
|---|---|---|---|---|
| Net sales | 486.8 | 490.0 | 3.2 | 0.7% |
| EBITDA | 45.5 | 55.0 | 9.5 | 21.0% |
| Operating profit | 18.0 | 25.0 | 7.0 | 38.5% |
| Ordinary profit | 22.4 | 37.5 | 15.1 | 67.6% |
| Extraordinary income (losses) | (33.3) | (4.5) | 28.8 | — |
| Profit (loss) attributable to owners of parent | (4.8) | 27.5 | 32.3 | — |
| Net income per share (Yen) | (49.60) | 283.15 | 332.75 | — |
| Dividend (Yen /Share) | *1 110.00 | *2 110.00 | — | |

*1 Dividend: Interim / 55 yen, Fiscal year-end / 55 yen
*2 Dividend: Interim / 55 yen, Fiscal year-end / 55 yen

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# Net Sales and Operating Profit by Segment

(Billions of yen)

| | Segment | FY2024 (A) | FY2025 (B) | Difference (B) - (A) | Percentage change |
|---|---|---|---|---|---|
| Net sales | Specialty Products | 66.2 | 69.0 | 2.8 | 4.3% |
| | High Performance Urethane | 15.6 | 50.5 | 34.9 | 223.4% |
| | Pharmaceutical | 31.5 | 23.0 | (8.5) | (27.0)% |
| | Polymers & Chemicals | 273.6 | 257.0 | (16.6) | (6.1)% |
| | Machinery | 86.9 | 74.0 | (12.9) | (14.8)% |
| | Others | 39.2 | 35.5 | (3.7) | (9.4)% |
| | Adjustment | (26.1) | (19.0) | 7.1 | — |
| | Total | 486.8 | 490.0 | 3.2 | 0.7% |
| Operating profit | Specialty Products | 11.7 | 12.5 | 0.8 | 7.1% |
| | High Performance Urethane | (0.2) | 1.0 | 1.2 | — |
| | Pharmaceutical | 1.2 | 0.0 | (1.2) | (100.0)% |
| | Polymers & Chemicals | (0.7) | 9.5 | 10.2 | — |
| | Machinery | 7.9 | 6.5 | (1.4) | (17.5)% |
| | Others | 2.1 | 1.5 | (0.6) | (27.1)% |
| | Adjustment | (3.8) | (6.0) | (2.2) | — |
| | Total | 18.0 | 25.0 | 7.0 | 38.5% |

Note: Starting from FY2025, the reportable segments have been revised from the previous 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 are figures reflecting the segment reclassification.

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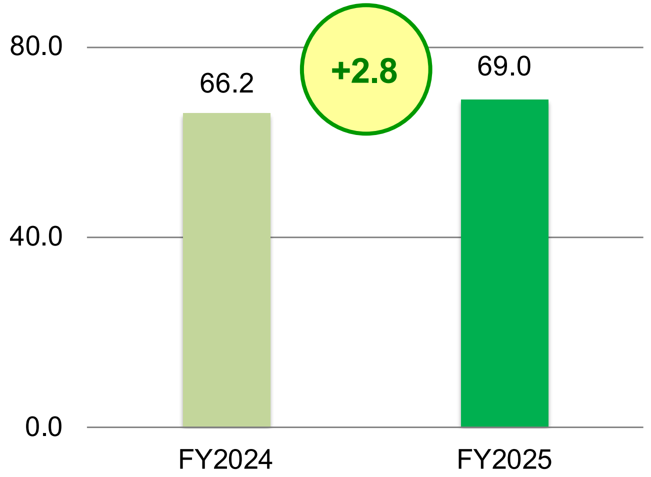
# Analysis ー Specialty Products

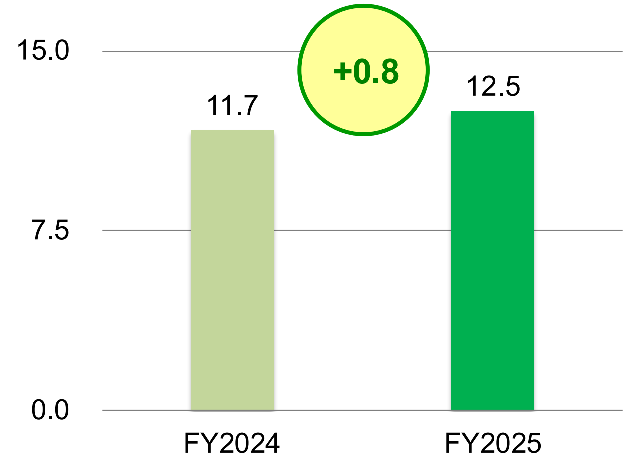
(Billions of yen)

## Net sales




4.3% Increased

## Operating profit




7.1% Increased

## Revisions from the previous earnings forecasts published on May 12, 2025

Net sales: Down［71.0 → 69.0, (2.0)］

- Separation membranes: Decline in sales volume of $CO_2$ separation membranes for biomethane production, impacted by inventory adjustments at certain customers

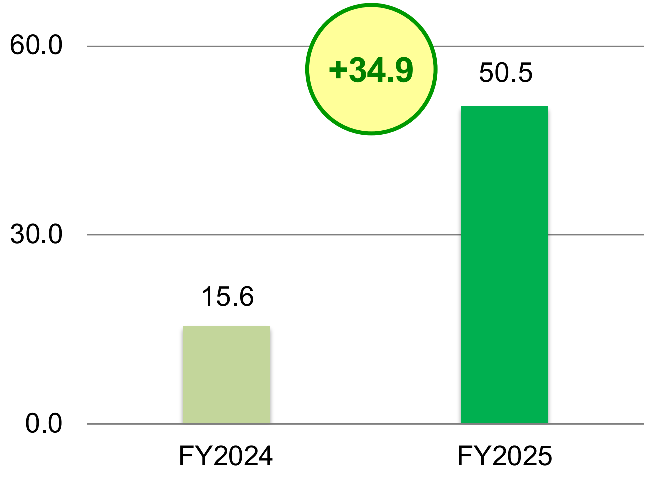
Operating profit: Down［13.5 → 12.5, (1.0)］

- Separation membranes: Decline in sales volume of $CO_2$ separation membranes for biomethane production, impacted by inventory adjustments at certain customers

# Analysis ー High Performance Urethane

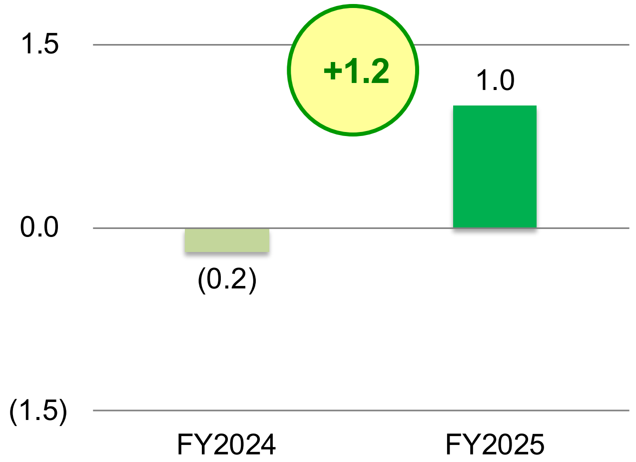
(Billions of yen)

## Net sales




223.4% Increased

## Operating profit

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## Revisions from the previous earnings forecasts published on May 12, 2025

Net sales: Down［51.0 → 50.5, (0.5)］

- High-performance coatings: Sluggish sales in the first half

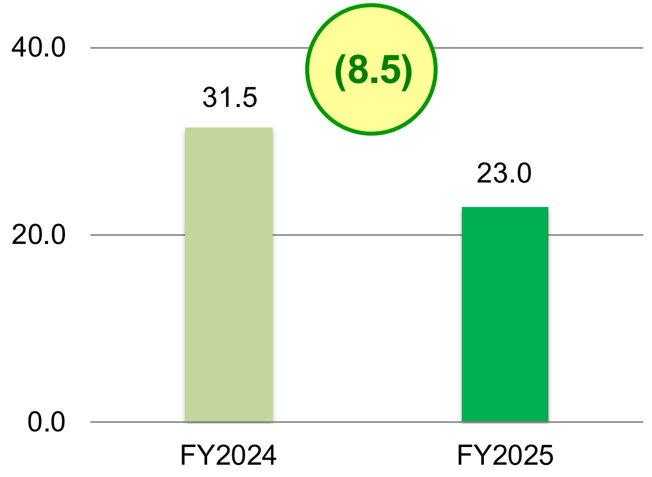
Operating profit: Down［2.0 → 1.0, (1.0)］

- Urethane systems: Increase in expenses related to post-merger integration (PMI)

# Analysis ー Pharmaceutical

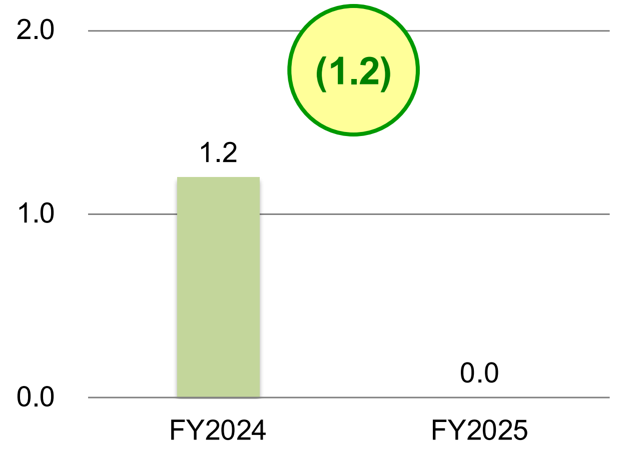
(Billions of yen)

## Net sales




(27.0)% Decreased

## Operating profit




(100.0)% Decreased

## Revisions from the previous earnings forecasts published on May 12, 2025

Net sales: Down［24.0 → 23.0, (1.0)］

- Decrease in sales volume of contract pharmaceuticals

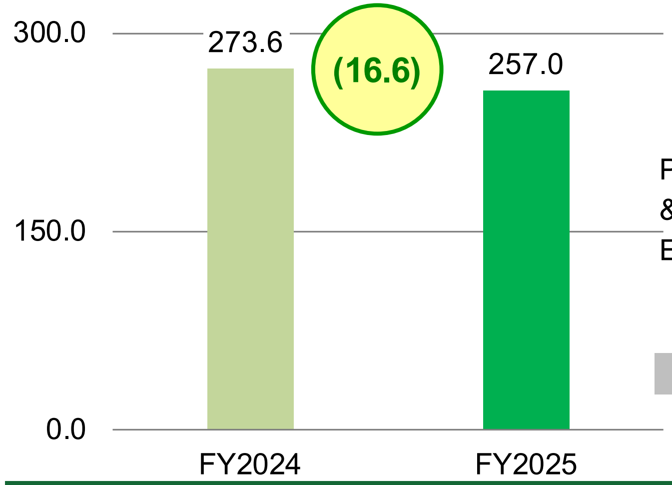
Operating profit: Down［1.0 → 0.0, (1.0)］

- Decrease in sales volume of contract pharmaceuticals

# Analysis – Polymers & Chemicals

(Billions of yen)

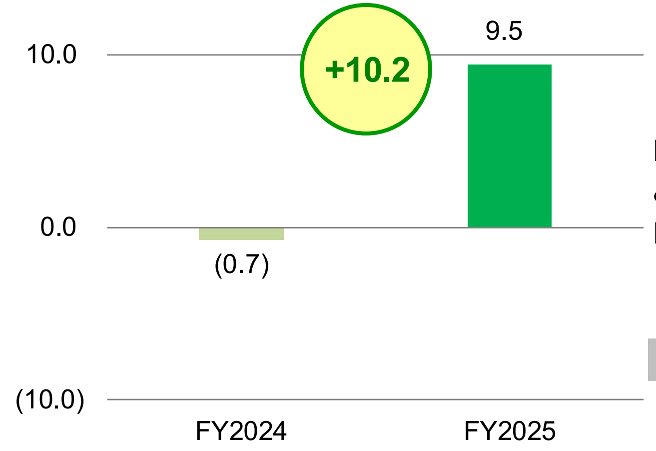
## Net sales




| | |
|---|---|
| Performance Polymers & Chemicals | (11.8) |
| Elastomer | (4.8) |

**(6.1)% Decreased**

## Operating profit




| | |
|---|---|
| Performance Polymers & Chemicals | 10.8 |
| Elastomer | (0.6) |

**–**

## Revisions from the previous earnings forecasts published on May 12, 2025

Net sales: No revision［257.0 → 257.0, 0.0］

Performance Polymers & Chemicals

- Caprolactam: Decline in sales volume and selling prices
- C1chemicals: Increase in license revenue

Operating profit: Up［6.0 → 9.5, +3.5］

Performance Polymers & Chemicals

- Caprolactam & ammonium sulfate: Improved profitability
- C1chemicals: Increase in license revenue

Elastomer

- Decline in raw material prices

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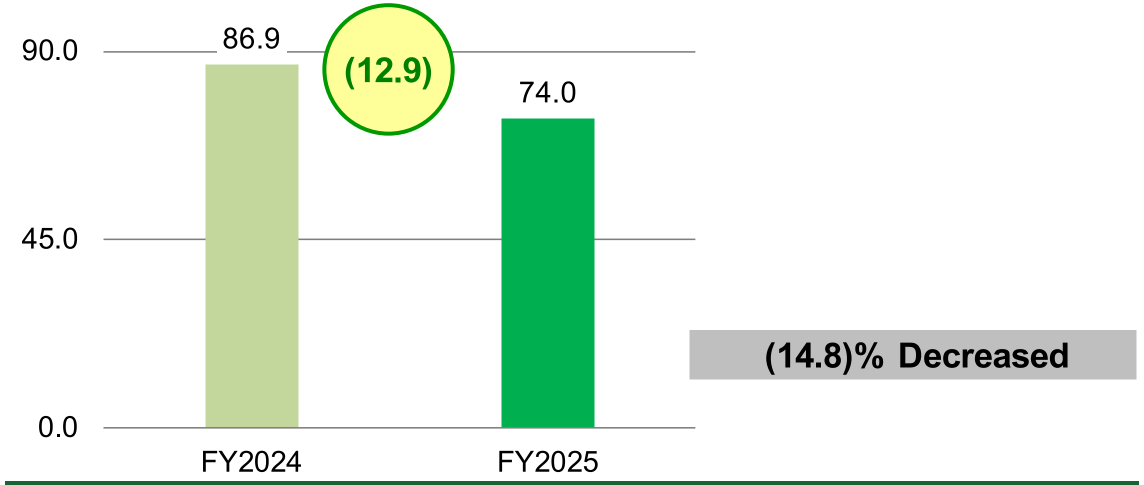
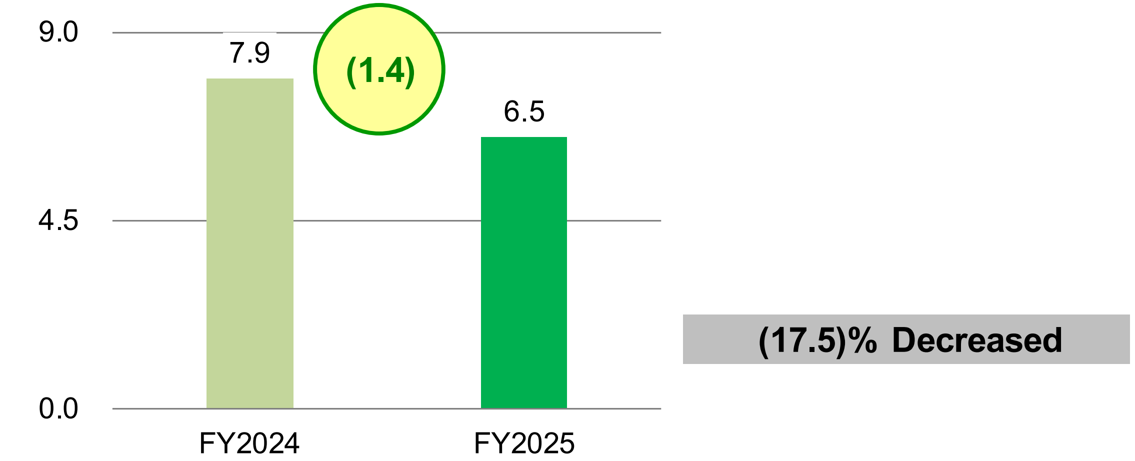
# Analysis ー Machinery

(Billions of yen)

## Net sales




## Operating profit




## Revisions from the previous earnings forecasts published on May 12, 2025

Net sales: Down ［76.0 → 74.0, (2.0)］

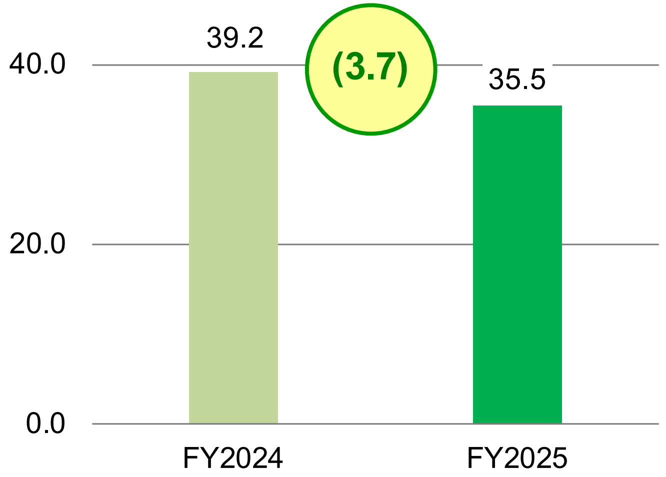
- Sluggish sales of molding machines and industrial machinery

Operating profit: No revision ［6.5 → 6.5, 0.0］

# Analysis ー Others

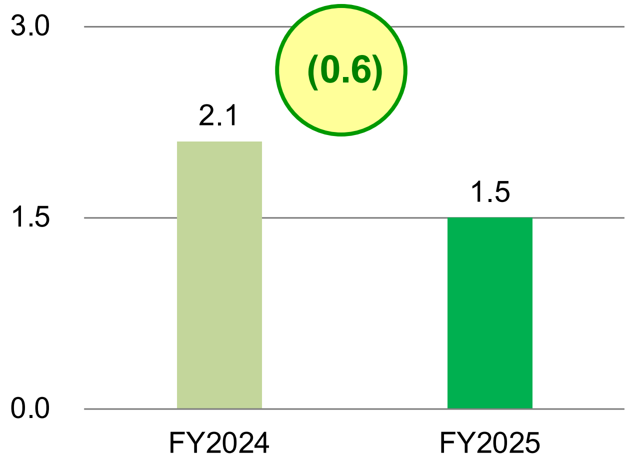
(Billions of yen)

## Net sales




(9.4)% Decreased

## Operating profit




(27.1)% Decreased

## Revisions from the previous earnings forecasts published on May 12, 2025

Net sales: No revision［35.5 → 35.5, 0.0］

Operating profit: Down［2.0 → 1.5, (0.5)］

- Decline in electricity selling prices due to lower coal prices

# Reference

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# Difference of Net Sales

(Billions of yen)

| Segment | Previous forecast 2025/5/12 (A) | Revised forecast 2025/11/7 (B) | Difference (B) - (A) | Major factors |
|---|---|---|---|---|
| Specialty Products | 71.0 | 69.0 | (2.0) | |
| High Performance Urethane | 51.0 | 50.5 | (0.5) | |
| Pharmaceutical | 24.0 | 23.0 | (1.0) | |
| Polymers & Chemicals | 257.0 | 257.0 | — | Performance Polymers & Chemicals (1.0)<br>Elastomer 1.0 |
| Machinery | 76.0 | 74.0 | (2.0) | |
| Others | 35.5 | 35.5 | — | |
| Adjustment | (24.5) | (19.0) | 5.5 | |
| Total | 490.0 | 490.0 | — | |

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# Difference of Operating Profit

(Billions of yen)

| Segment | Previous forecast 2025/5/12 (A) | Revised forecast 2025/11/7 (B) | Difference (B) - (A) | Major factors |
|---|---|---|---|---|
| Specialty Products | 13.5 | 12.5 | (1.0) | |
| High Performance Urethane | 2.0 | 1.0 | (1.0) | |
| Pharmaceutical | 1.0 | 0.0 | (1.0) | |
| Polymers & Chemicals | 6.0 | 9.5 | 3.5 | Performance Polymers & Chemicals 1.5<br>Elastomer 2.0 |
| Machinery | 6.5 | 6.5 | — | |
| Others | 2.0 | 1.5 | (0.5) | |
| Adjustment | (6.0) | (6.0) | — | |
| Total | 25.0 | 25.0 | — | |

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# Breakdown of First-Half and Second-Half Figures by Segment

(Billions of yen)

| Segment | Net Sales | | | Operating profit | | |
|---|---|---|---|---|---|---|
| | First-half results | Second-half forecast | Total | First-half results | Second-half forecast | Total |
| Specialty Products | 29.8 | 39.2 | 69.0 | 4.3 | 8.2 | 12.5 |
| High Performance Urethans | 17.0 | 33.5 | 50.5 | (0.6) | 1.6 | 1.0 |
| Pharmaceutical | 10.5 | 12.5 | 23.0 | (0.5) | 0.5 | 0.0 |
| Polymers & Chemicals | 118.5 | 138.5 | 257.0 | 4.2 | 5.3 | 9.5 |
| Machinery | 29.8 | 44.2 | 74.0 | 1.9 | 4.6 | 6.5 |
| Others | 16.7 | 18.8 | 35.5 | 1.0 | 0.5 | 1.5 |
| Adjustment | (9.6) | (9.4) | (19.0) | (2.1) | (3.9) | (6.0) |
| Total | 212.7 | 277.3 | 490.0 | 8.3 | 16.8 | 25.0 |

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# Progress of Major P/L Items

(Billions of yen)

| Item | FY2024 Results (A) | | FY2025 Forecast (B) | | Difference (B) - (A) | |
|---|---|---|---|---|---|---|
| | | 2Q Progress | | 2Q Progress | | 2Q |
| Net sales | 486.8 | 243.0<br>49.9% | 490.0 | 212.7<br>43.4% | 3.2 | (30.3) |
| EBITDA | 45.5 | 19.8<br>43.5% | 55.0 | 21.3<br>38.8% | 9.5 | 1.6 |
| Operating profit | 18.0 | 6.0<br>33.5% | 25.0 | 8.3<br>33.0% | 7.0 | 2.2 |
| Ordinary profit | 22.4 | 1.9<br>8.5% | 37.5 | 15.9<br>42.4% | 15.1 | 14.0 |
| Profit (loss) attributable to owners of parent | (4.8) | 0.3<br>－% | 27.5 | 10.9<br>39.6% | 32.3 | 10.6 |

# Net Sales

(Billions of yen)

| Segment | FY2025 | | | | | Full-year (forecast) | Progress |
|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | Total | | |
| Specialty Products | 15.0 | 14.8 | — | — | 29.8 | 69.0 | 43.2% |
| High Performance Urethane | 3.2 | 13.9 | — | — | 17.0 | 50.5 | 33.7% |
| Pharmaceutical | 4.3 | 6.2 | — | — | 10.5 | 23.0 | 45.5% |
| Polymers & Chemicals | 59.7 | 58.8 | — | — | 118.5 | 257.0 | 46.1% |
| Machinery | 14.5 | 15.3 | — | — | 29.8 | 74.0 | 40.2% |
| Others | 8.6 | 8.1 | — | — | 16.7 | 35.5 | 47.0% |
| Adjustment | (4.8) | (4.8) | — | — | (9.6) | (19.0) | —% |
| Total | 100.5 | 112.2 | — | — | 212.7 | 490.0 | 43.4% |

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# Operating Profit

(Billions of yen)

| Segment | FY2025 | | | | | Full-year (forecast) | Progress |
|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | Total | | |
| Specialty Products | 1.9 | 2.4 | ― | ― | 4.3 | 12.5 | 34.0% |
| High Performance Urethane | (0.4) | (0.1) | ― | ― | (0.6) | 1.0 | ―% |
| Pharmaceutical | (0.6) | 0.1 | ― | ― | (0.5) | 0.0 | ―% |
| Polymers & Chemicals | 1.3 | 2.9 | ― | ― | 4.2 | 9.5 | 44.0% |
| Machinery | 1.1 | 0.8 | ― | ― | 1.9 | 6.5 | 29.0% |
| Others | 0.5 | 0.5 | ― | ― | 1.0 | 1.5 | 69.1% |
| Adjustment | (0.8) | (1.2) | ― | ― | (2.1) | (6.0) | ―% |
| Total | 3.0 | 5.3 | ― | ― | 8.3 | 25.0 | 33.0% |

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# 2Q on 1Q － Net Sales

(Billions of yen)

| Segment | FY2025 1Q (A) | FY2025 2Q (B) | Difference (B) - (A) | Major factors |
|---|---|---|---|---|
| Specialty Products | 15.0 | 14.8 | (0.1) | |
| High Performance Urethane | 3.2 | 13.9 | 10.7 | |
| Pharmaceutical | 4.3 | 6.2 | 1.9 | |
| Polymers & Chemicals | 59.7 | 58.8 | (0.9) | Performance Polymers & Chemicals (0.9)<br>Elastomer (0.0) |
| Machinery | 14.5 | 15.3 | 0.7 | |
| Others | 8.6 | 8.1 | (0.5) | |
| Adjustment | (4.8) | (4.8) | 0.1 | |
| Total | 100.5 | 112.2 | 11.8 | |

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# 2Q on 1Q – Operating Profit

(Billions of yen)

| Segment | FY2025 1Q (A) | FY2025 2Q (B) | Difference (B) - (A) | Major factors |
|---|---|---|---|---|
| Specialty Products | 1.9 | 2.4 | 0.5 | |
| High Performance Urethane | (0.4) | (0.1) | 0.3 | |
| Pharmaceutical | (0.6) | 0.1 | 0.6 | |
| Polymers & Chemicals | 1.3 | 2.9 | 1.5 | Performance Polymers & Chemicals 1.7<br>Elastomer (0.2) |
| Machinery | 1.1 | 0.8 | (0.2) | |
| Others | 0.5 | 0.5 | (0.0) | |
| Adjustment | (0.8) | (1.2) | (0.4) | |
| Total | 3.0 | 5.3 | 2.3 | |

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# Net Sales and Operating Profit by Business Portfolio

(Billions of yen)

| | Business portfolio | FY2024 2Q (A) | FY2025 2Q (B) | Difference (B) - (A) |
|---|---|---|---|---|
| Net sales | Specialty business | 87.4 | 86.6 | (0.8) |
| | Restructuring business | 101.4 | 88.6 | (12.8) |
| | Machinery business | 43.0 | 29.8 | (13.3) |
| | Other businesses (incl. adjustment) | 11.2 | 7.7 | (3.5) |
| | Total | 243.0 | 212.7 | (30.3) |
| Operating profit | Specialty business | 11.2 | 8.9 | (2.4) |
| | Restructuring business | (6.4) | (1.1) | 5.3 |
| | Machinery business | 3.0 | 1.9 | (1.1) |
| | Other businesses (incl. adjustment) | (1.8) | (1.4) | 0.3 |
| | Total | 6.0 | 8.3 | 2.2 |

Note: Starting from FY2025, portfolio classification has been changed. The results for FY2024 2Q are figures reflecting the portfolio reclassification.

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# Mitsubishi UBE Cement

■ **Major P/L Items** (Billions of yen)

**Mitsubishi UBE Cement Corporation and consolidated subsidiaries**

| Item | | FY2024 2Q | FY2025 2Q | FY2025 full-year forecast *1 |
|---|---|---|---|---|
| Net sales | Domestic business | 188.5 | 179.6 | 371.0 (380.0) |
| | Overseas business | 100.3 | 88.0 | 169.0 (190.0) |
| | Total | 288.8 | 267.6 | 540.0 (570.0) |
| Operating profit | Domestic business | 7.8 | 9.1 | 24.0 (22.0) |
| | Overseas business | 20.0 | 16.5 | 27.0 (30.0) |
| | Total | 27.8 | 25.5 | 51.0 (52.0) |
| Ordinary profit | | 28.6 | 27.1 | 51.0 (52.0) |
| Profit attributable to owners of parent | | 15.6 | 13.1 | 26.0 (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 | 8.1 | 6.8 |

■ **Environmental factors**

| Item | | FY2024 2Q | FY2025 2Q | FY2025 full-year forecast *1 |
|---|---|---|---|---|
| Total demand for cement in Japan | (million tons) | 16.34 | 15.35 | 31.00 (32.00) |
| Cement sales volumes in Japan | (million tons) | 3.87 | 3.75 | 7.48 (7.75) |
| Cement sales volumes in the U.S. | (million tons) | 0.84 | 0.81 | 1.58 (1.70) |
| Ready-mixed concrete sales volumes in the U.S. | (million cy) | 3.49 | 3.13 | 5.83 (6.70) |
| Coal Price*2 | ( $ /t) | 138 | 105 | 112 (150) |
| Exchange Rate | (Yen/$) | 153 | 146 | 148 (145) |

*1 The figures in parentheses are the forecast announced on May 12, 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 2Q** **(Billions of yen)**

| | | | | | |
|---|---|---|---|---|---|
| Total assets | 806.5 | Interest-bearing debt | 189.4 | Shareholder's equity | 354.8 |
| Shareholder's equity ratio | 44.0% | D/E ratio | 0.53 Times | | |

- Businesses in Japan:
  Although the power business recorded lower profits in 1Q due to the impact of scheduled maintenance, overall domestic business recorded lower net sales but higher profit for the first half, driven by cement price increases and reduced thermal energy costs. For the full year of FY2025, the trend of lower cement sales volume and improved prices is expected to continue, resulting in lower net sales but higher profit compared to the previous fiscal year.
- Businesses outside Japan:
  In addition to lower profits in 1Q, the U.S. business posted lower net sales and profit for the first half due to continued weak demand. The Australian coal business also recorded lower net sales and profit, impacted by falling sales prices. For the full year of FY2025, business conditions are expected to remain similar to those in the first half, resulting in lower net sales and profit year-on-year for both U.S. and Australian businesses.

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# Consolidated Key Indicators

(Billions of yen)

| Item | FY2024 2Q | FY2025 2Q | FY2025 full-year (forecast) | FY2024 full-year |
|---|---|---|---|---|
| Capital investment | 26.9 | 21.2 | 86.0 | 60.7 |
| Depreciation and amortization | 13.6 | 12.3 | 27.0 | 27.2 |
| Research and development expenses | 4.9 | 5.8 | 12.5 | 9.9 |
| Adjusted operating profit * | 5.3 | 16.6 | 42.0 | 27.0 |
| Interest-bearing debt | 239.0 | 321.8 | 380.0 | 330.5 |
| Shareholders' equity | 399.1 | 406.7 | 410.0 | 395.1 |
| Total assets | 796.2 | 865.8 | 950.0 | 865.7 |
| D/E ratio (times) | 0.60 | 0.79 | 0.93 | 0.84 |
| Shareholders' equity ratio (%) | 50.1 | 47.0 | 43.2 | 45.6 |
| Return on sales - ROS (%) | 2.5 | 3.9 | 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

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# Consolidated Major Subsidiaries

(Billions of yen)

| Subsidiaries | Business | Net Sales FY2025 2Q | Difference of operating profit from FY2024 2Q* |
|---|---|---|---|
| UBE CORPORATION EUROPE S.A.U. | Manufacture and sales of composites, nylon polymers, caprolactam, ammonium sulfate, high-performance coatings and other products | 26.0 | → |
| UBE Chemicals (Asia) Public Company Limited | Manufacture and sales of composites, nylon polymers, caprolactam and ammonium sulfate | 18.6 | ↓ |
| THAI SYNTHETIC RUBBERS COMPANY LIMITED | Manufacture and sales of polybutadiene rubber (synthetic rubber) | 11.8 | ↑ |
| UBE FILM, LTD. | Manufacture and sales of plastic film products | 5.3 | ↑ |
| UBE EXSYMO CO., LTD. | Manufacture and sales of electronic and information communication-related products | 6.5 | ↑ |
| UBE MACHINERY CORPORATION, Ltd. | Manufacture and sales of molding machines, industrial machinery and bridge, etc. After-sales services for molding machines and industrial machinery | 22.1 | ↓ |

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

# Operation of New Production Facilities

| Growth investments | | Capacity | Locations | Status |
|---|---|---|---|---|
| Polyimide | Film manufacturing facilities | Up 20% | Japan<br>(Yamaguchi Prefecture) | Commercial operation is scheduled to start promptly after certification is obtained. |
| Separation membranes | Manufacturing facilities for polyimide hollow fiber membranes and for separation membrane modules | Up 80% | Japan<br>(Hollow fiber: Yamaguchi Prefecture)<br>(Modules: Osaka Prefecture) | Hollow fiber: Commercial operation scheduled to begin in November.<br>Modules: Commercial operation has started. |

# Actions for Structural Reform

## ーDownsizing / discontinuing production of ammonia, caprolactam, and nylon polymers

| | | Decided Initiatives |
|---|---|---|
| Thailand | Caprolactam | Production shutdown in March 2026 (previously scheduled “by the end of March 2027”) |
| | Nylon polymer | Production reduction* in March 2026 (previously scheduled “by the end of March 2027”) |
| Japan | Caprolactam | Production shutdown in March 2027 |
| | Nylon polymer | Production shutdown in March 2027 |
| | Ammonia | Production shutdown in March 2028 |

* Reducing from current two lines to one line

PBR = ROE / (Cost of equity − Expected growth rate)

Cost of equity: Estimated around 8% based on the capital asset pricing model (CAPM)

**Market cost of equity**
Current: Approx. 12%
(Equivalent to a PER of around 8.5x)

Growing profit → ROE

Improving profitability → ROE

Mitigating impact of market volatility → Market cost of equity

Increasing expected growth rate → Market cost of equity

Implementing and accelerating strategies

Enhancing adaptability to changes in the business environment → Market cost of equity

Reducing business continuity risks, increasing expected growth rate → Market cost of equity

## Expanding specialty businesses

- Driving steady profit growth by expanding capacity in line with market growth and leveraging strategies such as M&A in peripheral areas
- Strengthening initiatives for creating new businesses in focus domains

## Business restructuring

- Steadily implementing structural reforms for the ammonia, caprolactam, and nylon polymer businesses

✓ **Improving profitability to increase ROE (ROIC)**
✓ **Reducing the cost of shareholders' equity by shifting to a business portfolio that is less sensitive to market fluctuations and generates lower GHG emissions**

## Practicing sustainability management

- Empowering women and increasing highly specialized mid-career hires, etc. to increase workplace diversity and foster an innovative culture
- Implementing systematic human resource development to drive the growth of specialty businesses
- Driving greater operational efficiency and sophistication through DX
- Meeting the 2030 GHG emissions reduction target: 50% (vs. FY2013) (On track to achieve)
- Expanding environmentally friendly products and technologies

✓ **Enhancing the quality of the management foundation to achieve sustainable growth over the medium to long term**

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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.

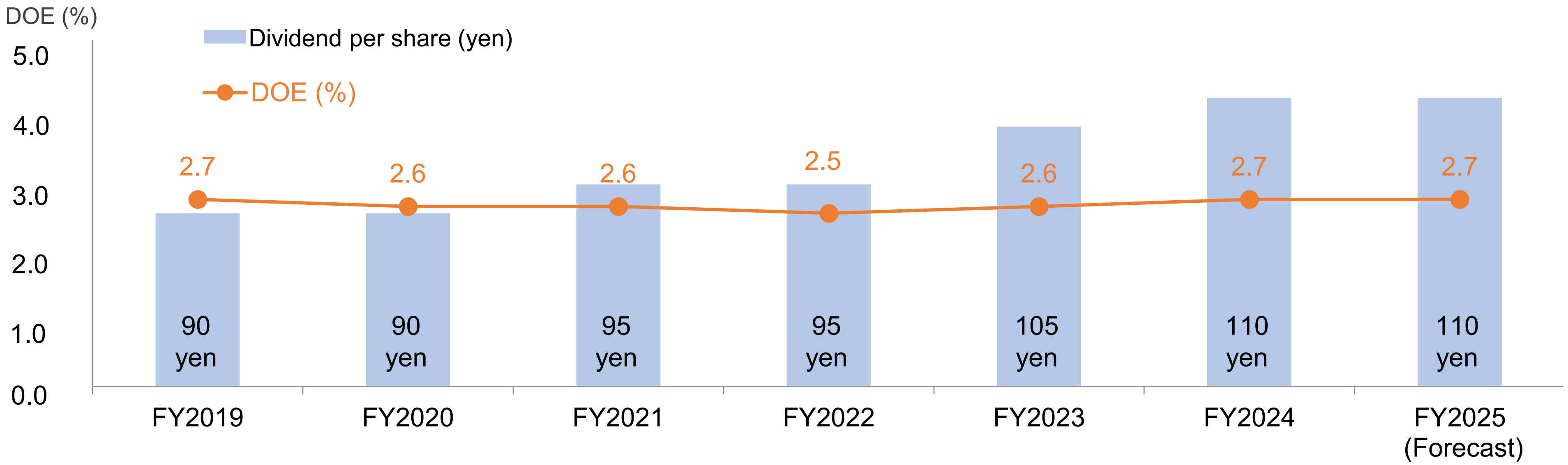
Previous medium-term management plan
1st Stage (FY2022-2024)

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)**



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# 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 3rd Quarter FY2025 Financial Results
    - February 4, 2026 15:30
  - ➢ 3rd Quarter FY2025 Financial Results Briefing
    - Feburuary 4, 2026 18:00 – 18:45
- **Mitsubishi UBE Cement Corporation**
  - ➢ 1st Half FY2025 Financial Results Briefing
    - November 18, 2025 15:30 – 16:10

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

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