



December 21, 2023

Company name: UBE Corporation
Representative: Masato Izumihara
President and Representative Director
Securities code: 4208 (shares listed on Prime Section of Tokyo
Stock Exchange and Fukuoka Stock Exchange)
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UBE Announces Absorption (Simplified Merger/Short-Form Merger) of Wholly-Owned Subsidiary API Corporation

UBE Corporation announced today that the company's Board of Directors resolved to implement a merger by absorption of its wholly-owned subsidiary, API Corporation (hereafter, "APIC"), which will take effect on December 1, 2024. Details of the merger are below.

Since the merger is a simplified and short-form merger between UBE and its wholly-owned subsidiary, some items and details of the merger have not been disclosed.

1. Purpose of Merger

UBE's pharmaceuticals business is comprised of a licensing business based on drug discovery research and a contract development and manufacturing organization (CDMO) business. The company positions the pharmaceutical business as an important business that will play a role in UBE Group sustainable growth driven by specialty chemicals.

In order to establish a high-quality and stable supply system to strengthen its presence in the CDMO market, which is expected to continue to grow, the company acquired all shares of APIC from Life Science Institute, Inc. (Representative Director: Ryosuke Tanabe), a Mitsubishi Chemical Group Company, in December 2022. APIC is a CDMO offering a wide range of services such as synthetic route design, commercial manufacturing research, pilot manufacturing, and commercial production, by making full use of integrated processes that combine organic synthesis technologies and biotechnologies it has cultivated over many years. APIC is also engaged in the business of proposing, manufacturing, and marketing active pharmaceutical ingredients (APIs) and intermediates using processes developed based on its own proprietary technologies.

UBE has actively worked on integrating operations with APIC. To further promote the sharing of the proprietary high-level manufacturing and quality control technologies of both companies, accelerate the development of new technologies, expand supply chain networks, and leverage the existing bases of both companies, UBE has determined it would be desirable to implement a merger by absorption of APIC.

2. Summary of Merger

(1) Schedule of Merger

Date of resolution by Board of Directors	December 21, 2023
Date of signing merger agreement	December 21, 2023
Effective date of the merger	December 1, 2024 (may be subject to change)

Note: For UBE, the merger is a simplified merger as prescribed in Article 796, paragraph (2) of Japan's Companies Act. For APIC, it is a short-form merger as prescribed in Article 784, paragraph (1) of the Companies Act. As such, the merger will be implemented without the approval of the respective general shareholders meetings.

(2) Method of Merger

Absorption-type merger with UBE being the surviving company. APIC will be dissolved as of the effective date of the merger.

(3) Shares Related to Merger

As an absorption-type merger between UBE and its wholly-owned subsidiary, no shares or money will be issued from the merger.

(4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights as a Result of Merger

Not applicable.

3. Summary of the Companies Involved in the Merger

	Surviving Company	Absorbed Company
(1) Name	UBE Corporation	API Corporation
(2) Location	1978-96 Kogushi, Ube, Yamaguchi Prefecture	955, Oaza-Koiwai, Yoshitomi-machi, Chikujō-gun, Fukuoka Prefecture
(3) Representative	President and Representative Director Masato Izumihara	President & CEO, Representative Director Hideki Kitadai
(4) Business Description	Business related to chemicals and machinery, etc.	Manufacturing and sales of active pharmaceutical ingredients, intermediates, and fine chemicals
(5) Capital	58,435 million yen	4,000 million yen
(6) Date of Establishment	March 10, 1942	October 1, 2002
(7) Shares Issued	106,200,107	5,488
(8) Fiscal Year-End	March 31	March 31

	Surviving Company	Absorbed Company
(9) Shareholders (As of September 30, 2023)	The Master Trust Bank of Japan, Ltd. (Trust Account) 17.56% Custody Bank of Japan, Ltd. (Trust Account) 6.95% Sumitomo Life Insurance Company 2.06% BNYM AS AGT/CLTS 10 PERCENT 1.73% Nippon Life Insurance Company 1.65% DFA International Small Cap Value Portfolio 1.64% Yamaguchi Bank, Ltd. 1.60% JP Morgan Chase Bank 385781 1.36% The Norinchukin Bank 1.27% State Street Bank West Client - Treaty 505234 1.22%	UBE Corporation 100.0%
(10) Consolidated Earnings and Financial Data for the Previous Fiscal Year (Million yen unless otherwise stated)		
Fiscal Year-End	Fiscal year ended March 2023 (Consolidated)	Fiscal year ended March 2023 (Consolidated)
Net assets	381,631	6,211
Gross assets	732,681	21,029
Net assets per share (yen)	3,726.39	1,131,741.98
Net sales	494,738	18,556
Operating profit	16,210	1,152
Ordinary profit	(8,745)	1,547
Profit attributable to owners of parent	(7,034)	1,813
Net income per share (yen)	(72.54)	330,357.14

4. Status after Merger

The company name, Head Office location, title and name of representative director, contents of business, capital, and fiscal year of UBE remain unchanged as a result of merger.

5. Future Outlook

As an absorption-type merger between UBE and its wholly-owned subsidiary, the merger will have a minimal impact on UBE's consolidated earnings.

(Reference)

Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2024 (Announced November 2, 2023) and Consolidated Earnings for the Fiscal Year Ended March 31, 2023

(Million yen)

	Consolidated net sales	Consolidated operating profit	Consolidated ordinary profit	Profit attributable to owners of parent
Fiscal Year Ending March 2024 (Forecast)	484,000	17,000	26,500	21,500
Fiscal Year Ended March 2023 (Results)	494,738	16,210	(8,745)	(7,034)