

**UBE**

**FY2020 Consolidated Results  
FY2021 Consolidated Forecasts  
Explanatory material**

May 12, 2021

**UBE INDUSTRIES, LTD.**

# FY2020 Consolidated Results



## Scope of Consolidation

Item	End of FY2019 (A)	End of FY2020 (B)	Difference (B) - (A)	Notes
Number of consolidated subsidiaries	69	66	(3)	<ul style="list-style-type: none"> <li>+ Premium Composite Technology North America, Inc.</li> <li>- U-MHI Platech Co., Ltd.</li> <li>- U-MHI PLATECH AMERICA, INC.</li> <li>- AET Electrolyte Technologies (Zhangjiagang) Co., Ltd.</li> <li>- Ube Ammonia Industry, Ltd.</li> </ul>
Number of equity method affiliates	26	26	0	<ul style="list-style-type: none"> <li>+ MU Ionic Solutions Corporation</li> <li>+ CNSG Anhui Hong Sifang &amp; UBE New Material Technology Co., Ltd.</li> <li>- Changshu UM Battery Materials Co., Ltd.</li> <li>- KYOCERA-UBE RF TEC Corporation</li> </ul>
Total	95	92	(3)	

**Environmental Factors**

Item			FY2019 (A)	FY2020 (B)	Difference (B) - (A)	
Exchange Rate	Yen/\$		108.7	106.1	(2.6)	
Material Price	Naphtha	CIF	\$/ t	541	396	(145)
		Domestic	Yen/KL	42,900	31,200	(11,700)
	Benzene (ACP)	\$/ t	666	500	(166)	
	Australian Coal (CIF)	\$/ t	99.3	82.0	(17.3)	
		Yen/t	10,793	8,700	(2,093)	

## Major P/L Items

(Billions of yen)

Item	FY2019 (A)	FY2020 (B)	Difference (B) - (A)	Percentage change
Net sales	667.8	613.8	(54.0)	(8.1)%
Operating profit	34.0	25.9	(8.1)	(23.9)%
Ordinary profit	35.7	23.2	(12.4)	(34.8)%
Profit attributable to owners of parent	22.9	22.9	(0.0)	(0.2)%

## Net Sales and Operating Profit by Segment

(Billions of yen)

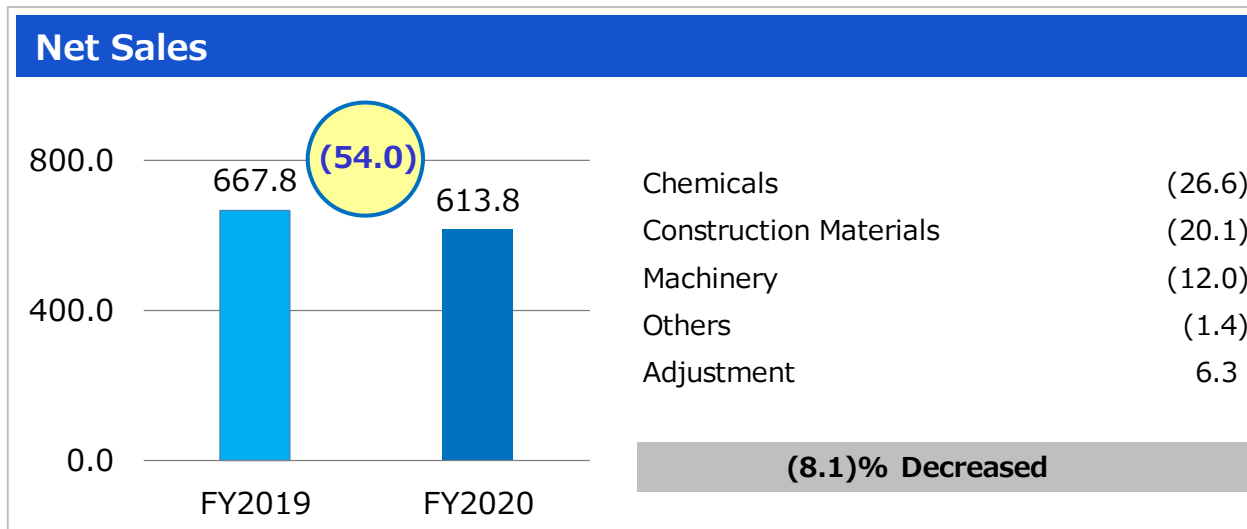
	Segment	FY2019 (A)	FY2020 (B)	Difference (B) - (A)	Percentage change
Net sales	Chemicals	286.0	259.3	(26.6)	(9.3)%
	Construction Materials	303.0	282.8	(20.1)	(6.7)%
	Machinery	90.7	78.7	(12.0)	(13.3)%
	Others	4.5	3.1	(1.4)	(31.9)%
	Adjustment	(16.5)	(10.1)	6.3	-
	Total	667.8	613.8	(54.0)	(8.1)%
Operating profit	Chemicals	14.5	8.1	(6.3)	(43.7)%
	Construction Materials	14.5	14.7	0.1	1.2%
	Machinery	4.9	2.8	(2.1)	(42.7)%
	Others	0.5	0.4	(0.1)	(25.1)%
	Adjustment	(0.6)	(0.3)	0.2	-
	Total	34.0	25.9	(8.1)	(23.9)%

# FY2020 Consolidated Results



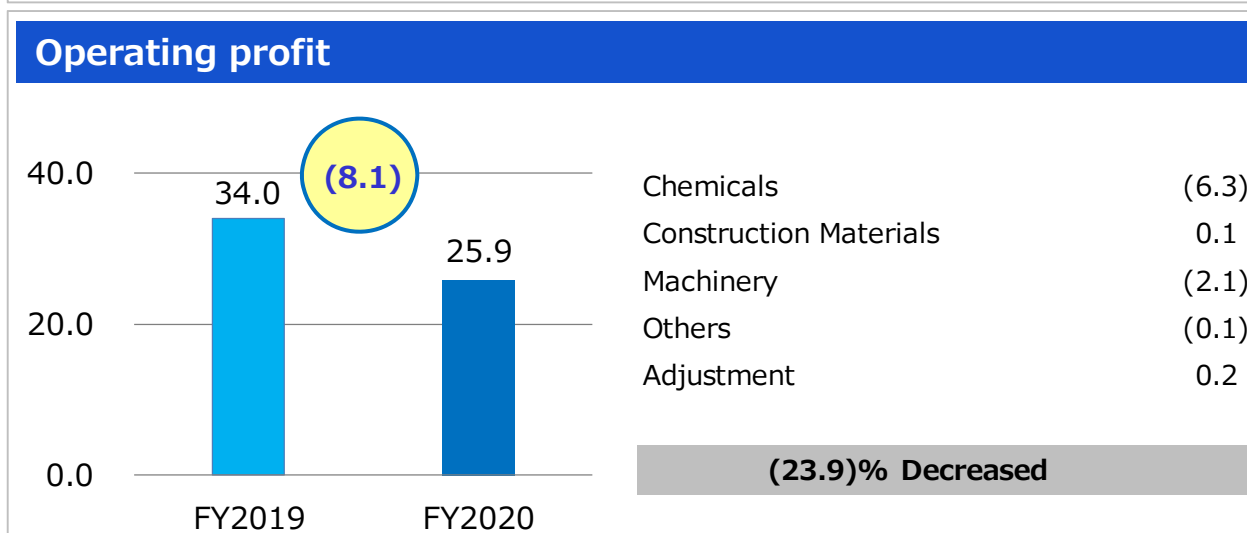
## Analysis - Total

(Billions of yen)



### Difference of operating profit

<u>Price ※1</u>	<u>(1.1)</u>
<u>Volume</u>	<u>(10.9)</u>
<u>Fixed Cost and Others ※2</u>	<u>3.9</u>
<b>Total</b>	<b>(8.1)</b>



\*1: Including both selling and purchase change  
 \*2: Including inventory valuation changes and lowest cost accounting

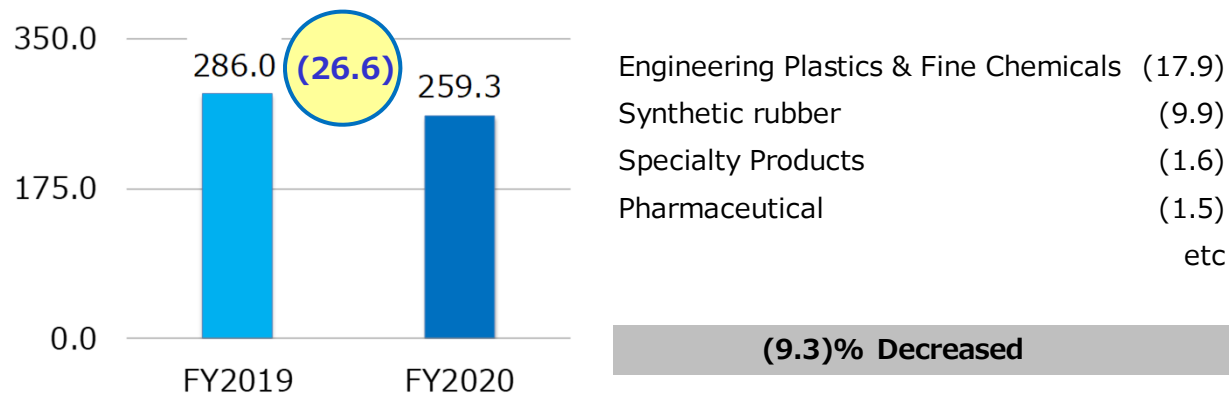
# FY2020 Consolidated Results



## Analysis - Chemicals

(Billions of yen)

### Net Sales



### Difference of operating profit

Price ※1 (6.5)

Volume (5.0)

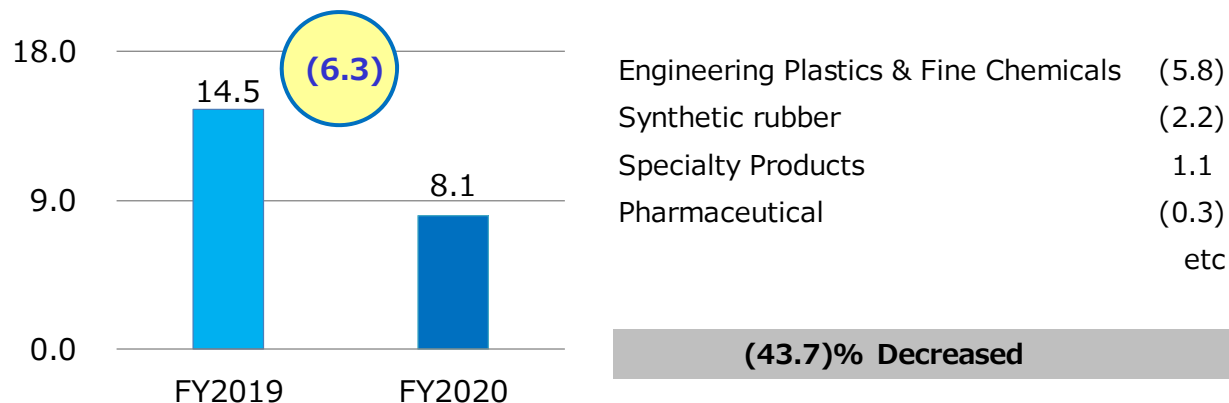
Fixed Cost and Others ※2 5.1

**Total (6.3)**

\*1: Including both selling and purchase change

\*2: Including inventory valuation changes and lowest cost accounting

### Operating profit



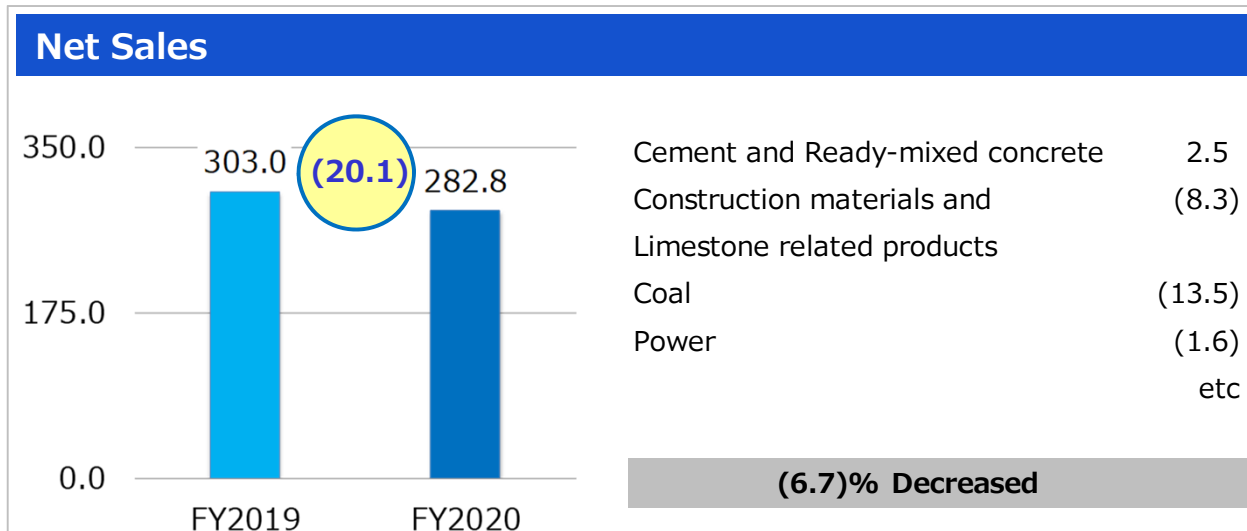


# FY2020 Consolidated Results



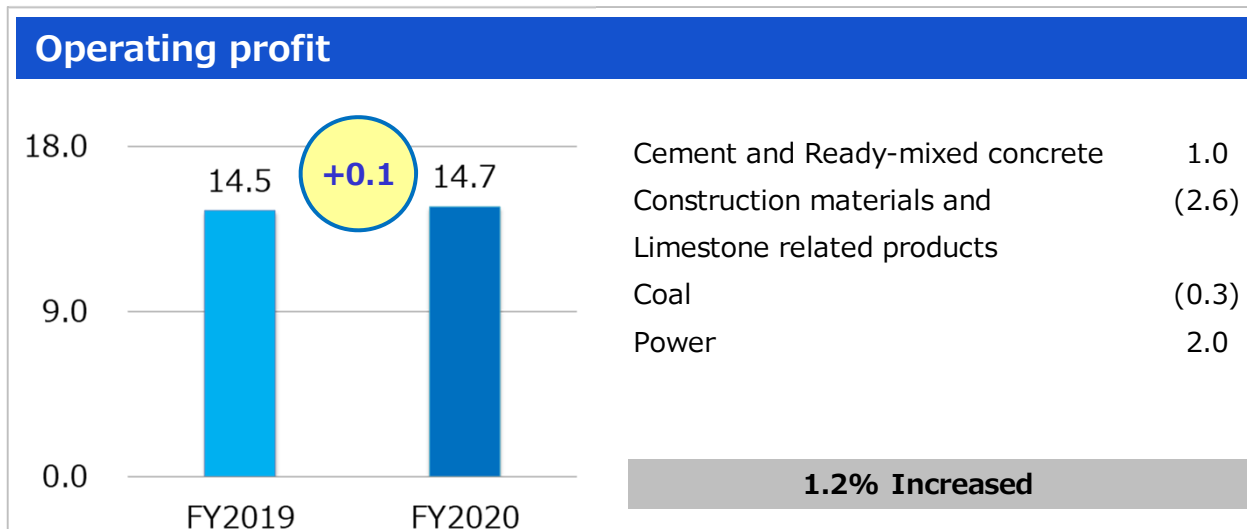
## Analysis –Construction Materials

(Billions of yen)



### Difference of operating profit

<u>Price ※1</u>	5.2
<u>Volume</u>	(5.3)
<u>Fixed Cost and Others</u>	0.3
<b>Total</b>	<b>0.1</b>



\*1: Including both selling and purchase change

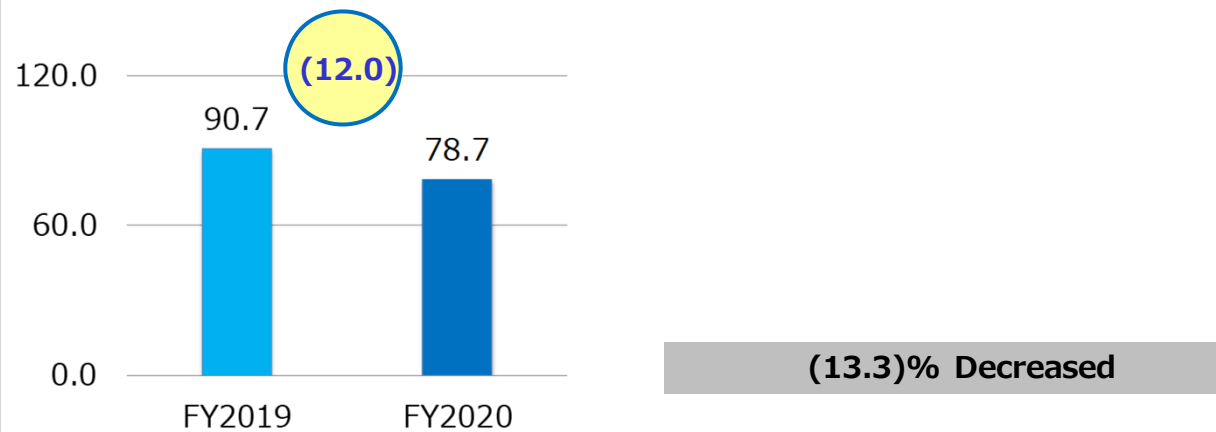
# FY2020 Consolidated Results



## Analysis - Machinery

(Billions of yen)

### Net Sales



### Difference of operating profit

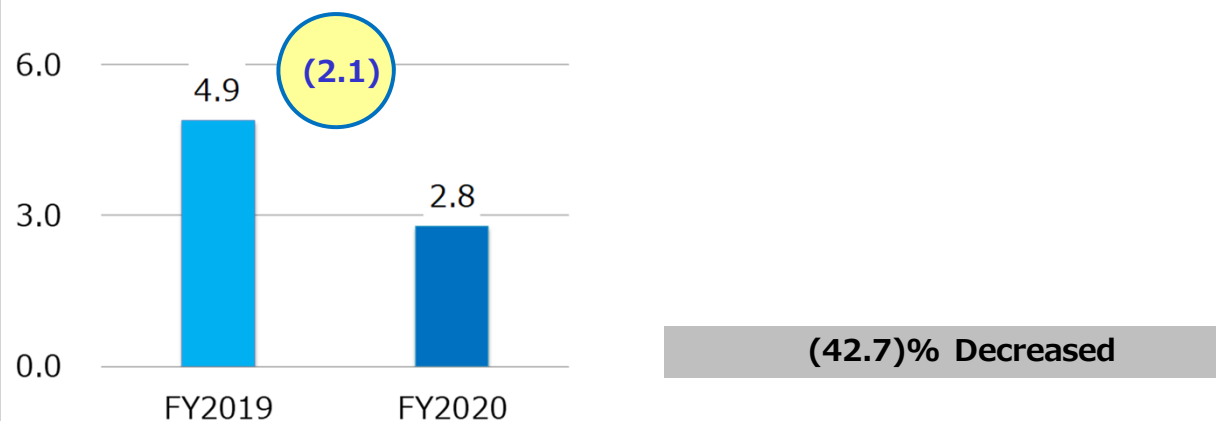
Price ※1 0.2

Volume (0.7)

Fixed Cost and Others ※2 (1.6)

**Total** (2.1)

### Operating profit



\*1: Including both selling and purchase change

\*2: Including marginal profit on machinery product (2.5)

## Operating Profit – Profit attributable to owners of parent

(Billions of yen)

Item	FY2019 (A)	FY2020 (B)	Difference (B) - (A)
Operating profit	34.0	25.9	(8.1)
Non-operating income (expenses)	1.6	(2.6)	(4.3)
Net interests expenses	0.4	0.0	(0.3)
Share of profit of entities accounted for using equitiy method	2.3	1.1	(1.2)
Foreign exchange gains	0.6	0.3	(0.3)
Others	(1.7)	(4.1)	(2.3)
Ordinary profit	35.7	23.2	(12.4)
Extraordinary income (losses)	(5.3)	(0.8)	4.5
Profit before income taxes	30.3	22.4	(7.9)
Income taxes and profit (loss) attributable to non-controlling interests	(7.3)	0.5	7.8
Profit attributable to owners of parent	22.9	22.9	(0.0)
Net income per share	227.33 yen	226.79 yen	(0.54) yen

## Consolidated Balance Sheet

(Billions of yen)

Item	End of FY2019 (A)	End of FY2020 (B)	Difference (B) - (A)
Current assets	303.9	331.7	27.7
Fixed assets	423.1	437.8	14.6
<b>Total assets</b>	<b>727.2</b>	<b>769.7</b>	<b>42.4</b>
Interest-bearing debt	190.7	214.7	24.0
Other liabilities	182.1	174.3	(7.7)
<b>Total liabilities</b>	<b>372.8</b>	<b>389.0</b>	<b>16.2</b>
Shareholders' equity *1	332.3	359.0	26.6
Non-controlling interests and others	22.0	21.6	(0.4)
<b>Total net assets</b>	<b>354.4</b>	<b>380.6</b>	<b>26.1</b>
<b>Total liabilities and net assets</b>	<b>727.2</b>	<b>769.7</b>	<b>42.4</b>

\*1: Shareholders' equity = Net assets – Share acquisition rights – Non-controlling interests

## Consolidated Statements of Cash Flows

(Billions of yen)

Item	FY2019	FY2020	
A.Cash flows from operating activities	68.4	66.0	Profit before income taxes 22.4 Depreciation and amortization 36.3 Increase in working capital 14.7 Income taxes paid (7.5) etc.
B.Cash flows from investing activities	(40.6)	(39.4)	Acquisition of PP&E (38.2) etc.
Free cash flows (A+B)	27.8	26.6	
C.Cash flows from financing activities	(18.9)	10.8	Increase in interest-bearing debts 20.3 Dividends paid (9.3) etc.
D.Net increase/decrease in cash and cash equivalents	8.3	39.0	
E.Cash and cash equivalents at end of the fiscal year	40.6	79.6	

# FY2021 Consolidated Forecasts



## Scope of Consolidation

Item	End of FY2020 (A)	End of FY2021 (B)	Difference (B) - (A)	Notes
Number of consolidated subsidiaries	66	64	(2)	+ UBE Elastomer Co.Ltd. - UBE Advanced Materials INC. - Advanced Electrolyte Technologies LLC - Ube Realty & Development Co., Ltd.
Number of equity method affiliates	26	27	1	+ C Integration Arrangement, Ltd.
Total	92	91	(1)	

## Environmental Factors

Item		FY2020 (A)	FY2021 (B)	Difference (B) - (A)		
Exchange Rate		Yen/\$	106.1	103.0	(3.1)	
Material Price	Naphtha	CIF	\$/ t	396	500	104
		Domestic	Yen/KL	31,200	37,800	6,600
	Benzene (ACP)		\$/ t	500	600	100
	Australian Coal (CIF)		\$/ t	82.0	107.8	25.8
			Yen/t	8,700	11,098	2,398



## Major P/L & B/S Items

(Billions of yen)

Item	FY2020 (A)	FY2021 (B)	Difference (B) - (A)	Percentage change
Net sales *1	613.8	570.0 650.0	(43.8) 36.2	- 5.9%
Operating profit	25.9	37.0	11.1	42.8%
Ordinary profit	23.2	34.5	11.3	48.1%
Profit attributable to owners of parent	22.9	21.0	(1.9)	(8.4)%

Item	End of FY2020 (A)	End of FY2021 (B)	Difference (B) - (A)
Total assets	769.7	755.0	(14.7)
Interest-bearing debt	214.7	185.0	(29.7)
Equity capital *2	359.0	360.0	1.0
Dividend(Yen /Share) *3	90.00	90.00	0.00

\*1: The above forecast of consolidated financial results shows the amounts after which the "Accounting Standard for Revenue Recognition" is adopted so the rate of increase and decrease in net sales compared with the previous fiscal year is not indicated. The figures shown at the bottom of each table are reference values for expected results if the Accounting Standard for Revenue Recognition is not adopted.

\*2: Equity capital = Net assets - Subscription rights to shares - Non-controlling interests

\*3: Dividend : Total annual/90yen (Interim/45yen, Fiscal year-end/45yen)

## Net Sales and Operating Profit by Segment

(Billions of yen)

	Segment	FY2020	FY2021	Difference	Percentage
		(A)	(B)	(B) - (A)	change
Net sales	Chemicals	259.3	280.0 *1 290.0	20.7 30.7	- 11.8%
	Construction Materials	282.8	200.0 270.0	(82.8) (12.8)	- (4.5)%
	Machinery	78.7	95.0 95.0	16.3 16.3	- 20.7%
	Others	3.1	3.0 3.0	(0.1) (0.1)	- (3.8)%
	Adjustment	(10.1)	(8.0) (8.0)	2.1 2.1	- -
	Total	613.8	570.0 650.0	(43.8) 36.2	- 5.9%
Operating profit	Chemicals	8.1	20.5	12.4	150.5%
	Construction Materials	14.7	11.5	(3.2)	(22.0)%
	Machinery	2.8	5.0	2.2	76.6%
	Others	0.4	0.5	0.1	11.9%
	Adjustment	(0.3)	(0.5)	(0.2)	-
	Total	25.9	37.0	11.1	42.8%

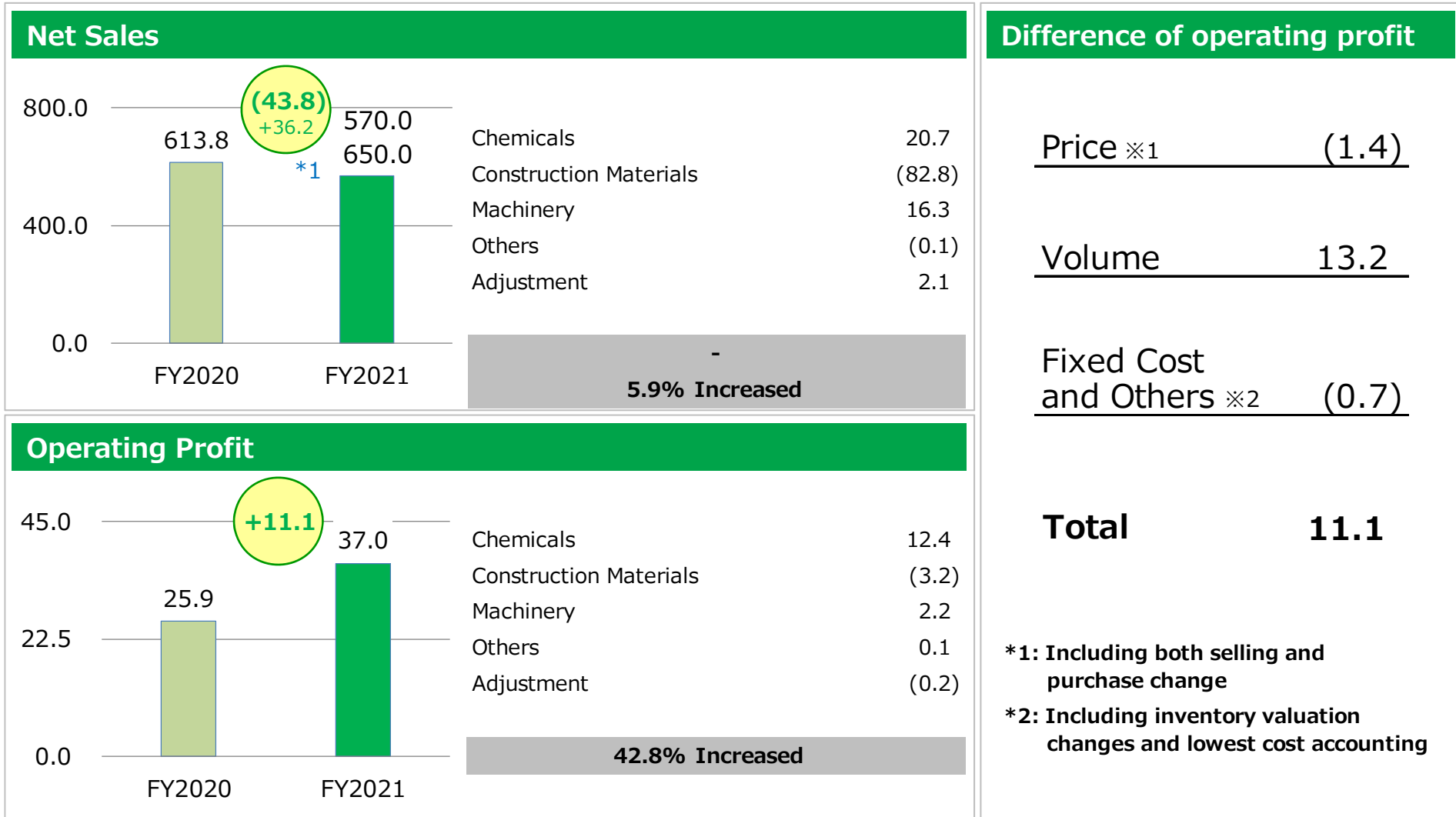
\*1: The figures shown at the bottom of each table are reference values for expected results if the Accounting Standard for Revenue Recognition is not adopted.

# FY2021 Consolidated Forecasts



## Analysis - Total

(Billions of yen)



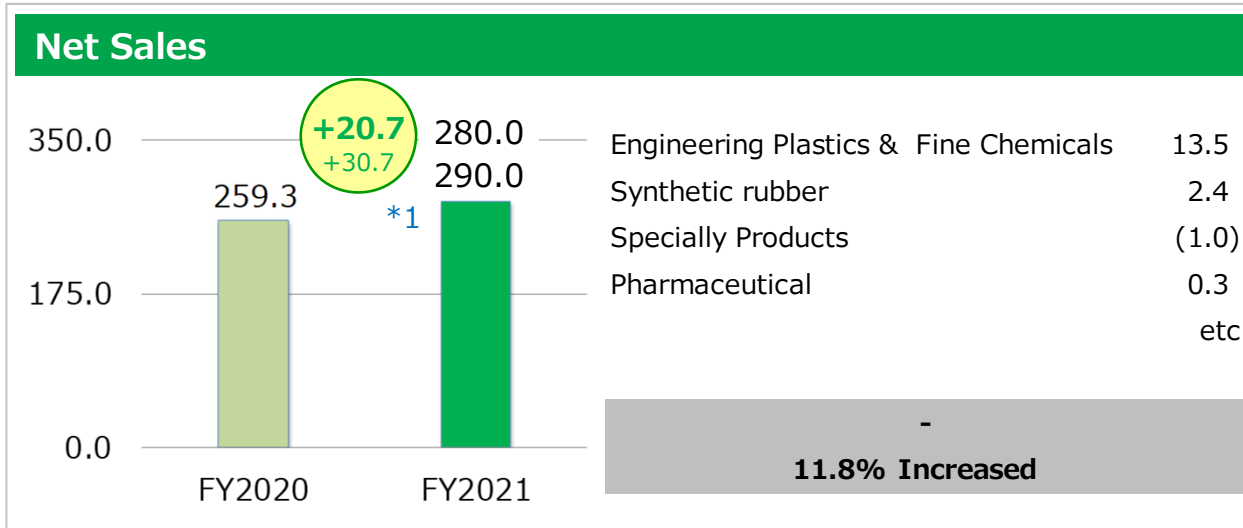
\*1: The figures shown at the bottom of each table are reference values for expected results if the Accounting Standard for Revenue Recognition is not adopted.

# FY2021 Consolidated Forecasts



## Analysis -Chemicals

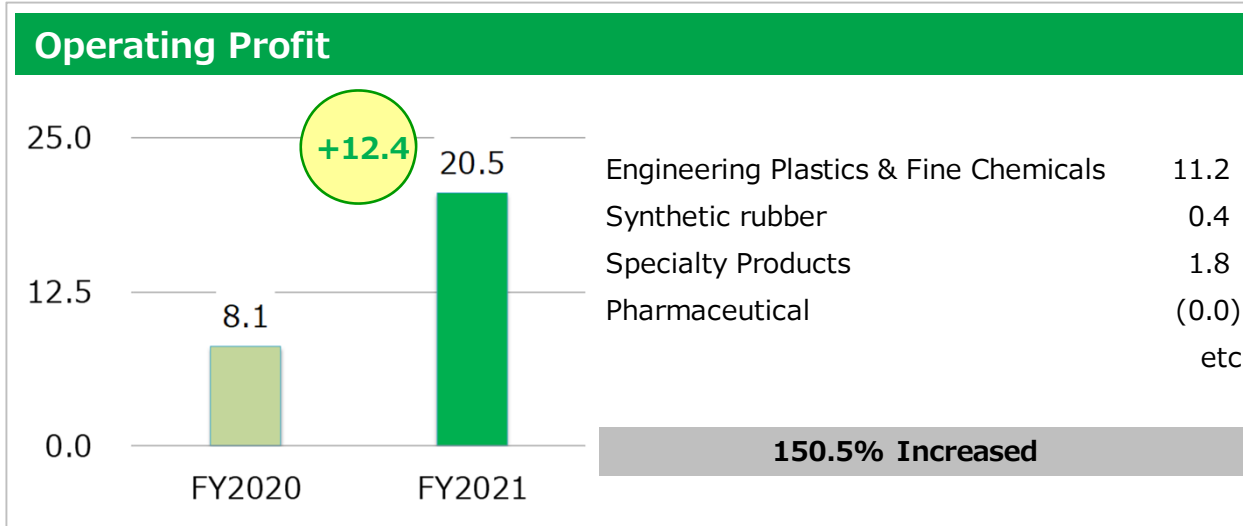
(Billions of yen)



### Difference of operating profit

Price ※1	3.7
Volume	10.7
Fixed Cost and Others ※2	(2.1)
<b>Total</b>	<b>12.4</b>

\*1: Including both selling and purchase change  
\*2: Including inventory valuation changes and lowest cost accounting



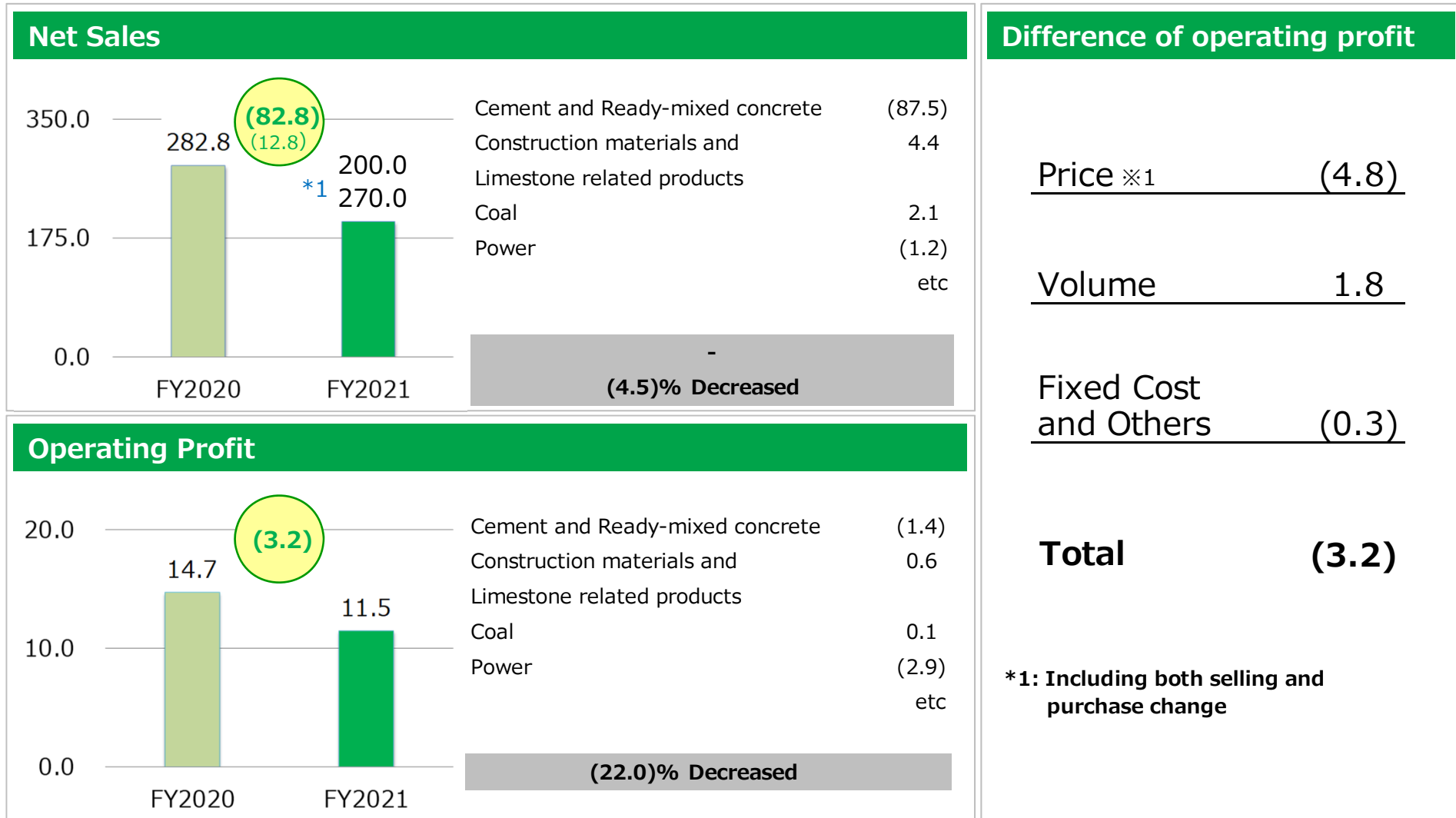
\*1: The figures shown at the bottom of each table are reference values for expected results if the Accounting Standard for Revenue Recognition is not adopted.

# FY2021 Consolidated Forecasts



## Analysis – Construction Materials

(Billions of yen)



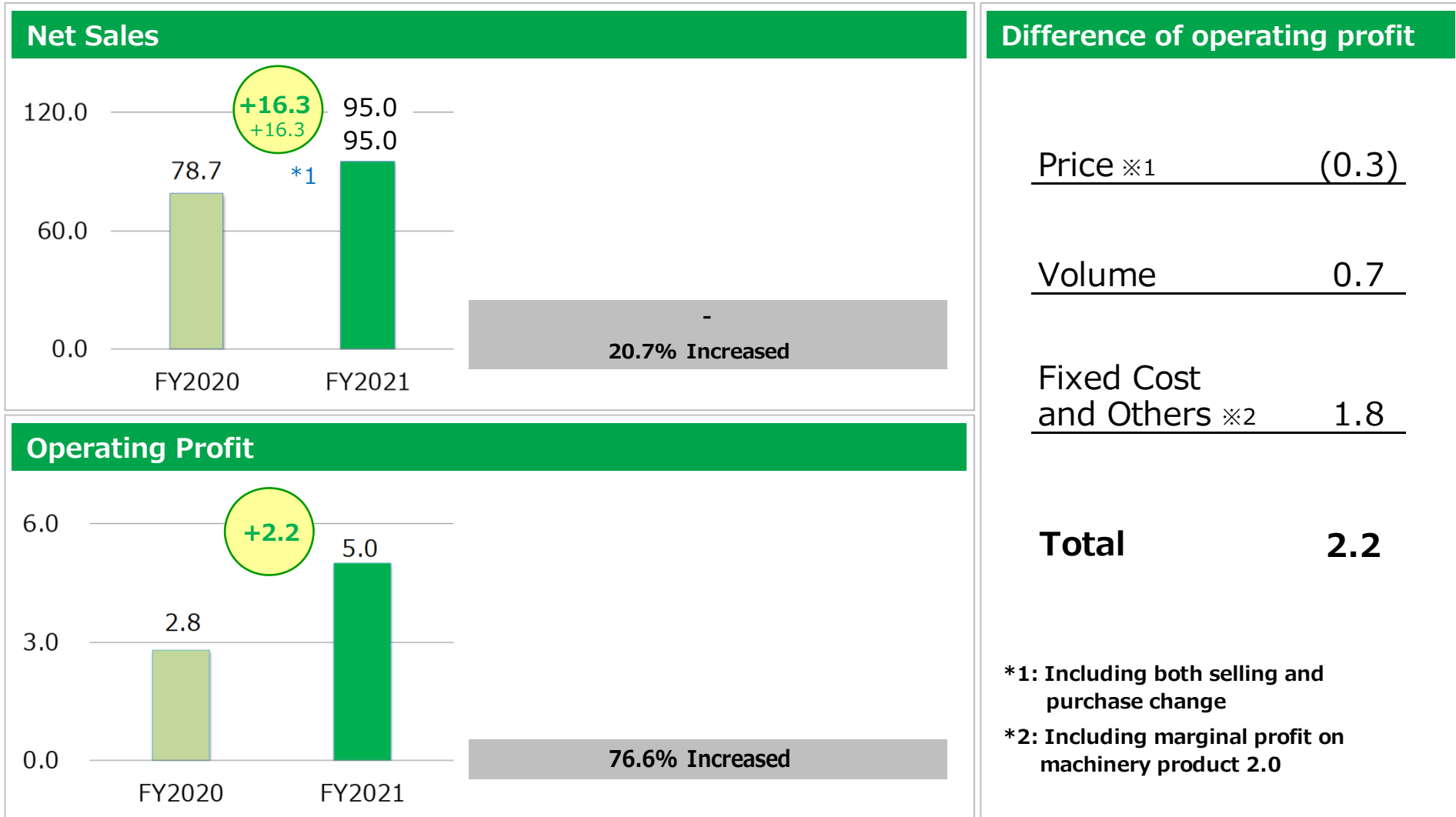
\*1: The figures shown at the bottom of each table are reference values for expected results if the Accounting Standard for Revenue Recognition is not adopted.

# FY2021 Consolidated Forecasts



## Analysis – Machinery

(Billions of yen)



\*1: The figures shown at the bottom of each table are reference values for expected results if the Accounting Standard for Revenue Recognition is not adopted.

## Operating Profit – Profit attributable to owners of parent

(Billions of yen)

Item	FY2020 (A)	FY2021 (B)	Difference (B) - (A)
Operating profit	25.9	37.0	11.1
Non-operating income (expenses)	(2.6)	(2.5)	0.1
Ordinary profit	23.2	34.5	11.3
Extraordinary income (losses)	(0.8)	(3.5)	(2.7)
Profit before income taxes	22.4	31.0	8.6
Income taxes and profit (loss) attributable to non-controlling interests	0.5	(10.0)	(10.5)
Profit attributable to owners of parent	22.9	21.0	(1.9)
Net income per share <sup>*1</sup>	226.79 yen	207.62 yen	(19.17) yen

\*1: In calculating net income per share, the acquisition of treasury stock, which was resolved at the Board of Directors meeting held on May 12, 2021, is not taken into consideration.

# Reference





## Analysis of Operating Profit by Segment

(Billions of yen)

Segment	Operating profit					
	FY2019 (A)	FY2020 (B)	Difference (B) - (A)	Price *1	Volume	Fixed cost and others *2
Chemicals	14.5	8.1	(6.3)	(6.5)	(5.0)	5.1
Construction Materials	14.5	14.7	0.1	5.2	(5.3)	0.3
Machinery	4.9	2.8	(2.1)	0.2	(0.7)	*3 (1.6)
Others	0.5	0.4	(0.1)	0.0	0.0	(0.2)
Adjustment	(0.6)	(0.3)	0.2	-	-	0.3
<b>Total</b>	<b>34.0</b>	<b>25.9</b>	<b>(8.1)</b>	<b>(1.1)</b>	<b>(10.9)</b>	<b>3.9</b>

\*1:Including both selling and purchase change \*2:Including inventory valuation changes and lowest cost accounting

\*3:Including marginal profit on machinery product (2.5)

## Net Sales

(Billions of yen)

Segment	FY2020				
	1Q	2Q	3Q	4Q	Total
Chemicals	52.5	59.7	67.3	79.6	259.3
Construction Materials	69.1	69.9	73.2	70.4	282.8
Machinery	16.7	18.2	19.6	24.1	78.7
Others	0.7	0.7	0.8	0.8	3.1
Adjustment	(3.1)	(4.7)	(2.1)	(0.1)	(10.1)
<b>Total</b>	<b>136.1</b>	<b>143.9</b>	<b>158.9</b>	<b>174.9</b>	<b>613.8</b>

## Operating Profit

(Billions of yen)

Segment	FY2020				
	1Q	2Q	3Q	4Q	Total
Chemicals	(2.7)	0.1	4.1	6.5	8.1
Construction Materials	1.9	3.7	5.3	3.6	14.7
Machinery	0.2	0.0	0.8	1.7	2.8
Others	0.0	0.1	0.1	0.1	0.4
Adjustment	(0.1)	0.0	(0.1)	(0.1)	(0.3)
<b>Total</b>	<b>(0.6)</b>	<b>4.0</b>	<b>10.4</b>	<b>12.0</b>	<b>25.9</b>

## 4Q on 3Q - Net Sales

(Billions of yen)

Segment	FY2020 3Q (A)	FY2020 4Q (B)	Difference (B) - (A)	Major factors
Chemicals	67.3	79.6	12.2	Engineering Plastics & Fine Chemicals 2.7 Synthetic rubber 2.1 Specialty Products 2.8 Pharmaceutical 0.3 etc.
Construction Materials	73.2	70.4	(2.7)	Cement and Ready-mixed concrete (4.9) Construction materials and Limestone related products (0.8) Coal 3.0 Power (0.6) etc.
Machinery	19.6	24.1	4.5	
Others	0.8	0.8	(0.0)	
Adjustment	(2.1)	(0.1)	1.9	
Total	158.9	174.9	15.9	

## 4Q on 3Q - Operating Profit

(Billions of yen)

Segment	FY2020 3Q (A)	FY2020 4Q (B)	Difference (B) - (A)	Major factors
Chemicals	4.1	6.5	2.4	Engineering Plastics & Fine Chemicals 0.8 Synthetic rubber 1.4 Specialty Products 1.2 Pharmaceutical (0.7) etc.
Construction Materials	5.3	3.6	(1.6)	Cement and Ready-mixed concrete (1.5) Construction materials and Limestone related products (0.6) Coal (0.0) Power 0.2 etc.
Machinery	0.8	1.7	0.9	
Others	0.1	0.1	(0.0)	
Adjustment	(0.1)	(0.1)	(0.0)	
Total	10.4	12.0	1.6	

## Consolidated Key Indicators

(Billions of yen)

Item	FY2019	FY2020	FY2021 (forecast)
Capital investment	47.6	37.1	44.0
Depreciation and amortization	36.8	36.3	36.0
Research and development expenses	12.8	11.4	12.5
Adjusted operating profit	37.8	28.0	38.0
Interest-bearing debt	190.7	214.7	185.0
Shareholders' equity	332.3	359.0	360.0
Total assets	727.2	769.7	755.0
D/E ratio (times)	0.57	0.60	0.51
Shareholders' equity ratio (%)	45.7	46.6	47.7
Return on sales - ROS (%)	5.1	4.2	6.5
			*1 5.7
Return on assets - ROA (%)	5.2	3.7	5.0
Return on equity - ROE (%)	6.9	6.6	5.8
Number of employees	10,890	10,897	10,900

\*1: The figures shown at the bottom of each table are reference values for expected results if the Accounting Standard for Revenue Recognition is not adopted.

## Consolidated Major Subsidiaries

(Billions of yen)

Subsidiaries and Affiliates	Business	Net Sales FY 2020	Difference of operating profit from FY 2019
UBE Corporation Europe, S.A. Unipersonal	Manufacture and sales of nylon, caprolactam, ammonium sulfate and fine chemical products	37.8	↓
UBE Chemicals (Asia) Public Company Limited	Manufacture and sales of nylon, caprolactam and ammonium sulfate	28.3	↑
THAI SYNTHETIC RUBBERS COMPANY LIMITED	Manufacture and sales of polybutadiene rubber	10.0	→
UBE Film, Ltd.	Manufacture and sales of plastic film products	9.4	↑
UBE EXSYMO CO., LTD.	Manufacture and sales of polypropylene molded products, fibers, fiber-reinforced plastics and electronic and information materials	12.3	↑
UBE Material Industries, Ltd.	Manufacture and sales of magnesia clinker, quicklime, slaked lime, etc.	39.7	↓
UBE Shipping & Logistics, Ltd.	Coastal shipping, port transport, containers, collection and transport of industrial waste, trading and engineering business	18.1	↓
UBE Construction Materials Sales Co., Ltd.	Sales of cement, ready-mixed concrete, building materials, etc.	64.6	→
SANSHIN TSUSHO Co., Ltd.	Sales of cement, ready-mixed concrete, building materials, etc.	21.7	→
Consolidated subsidiaries dealing ready-mixed concrete	Manufacture and sales of ready-mixed concrete	41.0	↑
Ube Construction materials Co., Ltd.	Manufacture, sales and construction of various building materials	10.2	→
UBE Machinery Corporation, Ltd.	Manufacture, sales, and service of molding machines, industrial machinery and bridge, etc.	42.2	↓
UBE Steel Co., Ltd	Manufacture and sales of cast iron and steel products and rolled steel billets	19.8	↓

Note: ↑ ↓ Represent an increase or decrease of over 0.1 billion JPY

## Net Sales and Operating Profit in Half Years by Segment

(Billions of yen)

Segment	Net Sales			Operating profit		
	First half	Second half	Total	First half	Second half	Total
Chemicals	130.0	150.0	280.0	7.5	13.0	20.5
Construction Materials	100.0	100.0	200.0	4.5	7.0	11.5
Machinery	40.0	55.0	95.0	1.5	3.5	5.0
Others	1.5	1.5	3.0	0.2	0.3	0.5
Adjustment	(1.5)	(6.5)	(8.0)	(0.2)	(0.3)	(0.5)
<b>Total</b>	<b>270.0</b>	<b>300.0</b>	<b>570.0</b>	<b>13.5</b>	<b>23.5</b>	<b>37.0</b>



## Major Items for Capital Expenditure

Segment	Subject	Place	Estimated completion date
Chemicals	Construct 5th pharmaceutical plant	Ube, Japan	FY2021
	Expand plant of raw material of polyimide (BPDA)	Ube, Japan	FY2023
Construction Materials	Construct high-efficiency clinker cooler	Kanda, Japan	FY2021

**Analyst Briefing and Announcement of 1st Quarter Business Results**

- **FY2021 Analyst Briefing (Telephone conference)**
  - **May 19, 10:00**
  
- **Announcement of 1st quarter Business Results**
  - **August 3, 15:30**
  
- **Telephone Conference for 1st Quarter**
  - **August 3, 18:30**

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

# UBE

This presentation material contains forward-looking statements concerning UBE's future plans, strategies, and performance. These forward-looking statements are not historical facts; rather, they represent assumptions and beliefs based on economic, financial, and competitive conditions currently observable. Forward-looking statements include information preceded by, followed by, or including the words "project", "predicts", "expects", "forecasts", "could", "may", or similar expressions.

Furthermore, they are subject to a number of risks and uncertainties which include, but are not limited to, economic conditions in key markets, supply and demand of products, the prices of raw material and fuel, interest rates, and exchange rates. Readers of this presentation material are cautioned not to place undue reliance on these forward-looking statements. Actual results may differ materially from expectations.

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