



MEMBERSHIP
April 30, 2021

Company name: Ube Industries, Ltd.
Representative: Masato Izumihara
President and Representative Director
Security code: 4208 (shares listed on First Section of Tokyo Stock
Exchange and Fukuoka Stock Exchange)
Contact: Osamu Akutagawa
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Ube Industries to Split Off Synthetic Rubber Business by Establishing Wholly Owned Subsidiary

Ube Industries, Ltd. (hereafter “Ube Industries”) today announced that, by a resolution of the Board of Directors today, the Company will split off its synthetic rubber business in a company split (simplified incorporation-type split) to establish UBE Elastomer Co.Ltd., a wholly-owned subsidiary of Ube Industries that will succeed the synthetic rubber business. The company split will take effect on October 1, 2021. The details of the company split are as follows.

Because the company split will be a simplified incorporation-type split by Ube Industries, certain details are not required to be disclosed and therefore are not included below.

1. Purpose of the Company Split

As of this year, Ube Industries has operated the synthetic rubber business for 50 years since it started manufacturing synthetic rubber at the Chiba Petrochemical Factory. In recent years, lower demand and greater supply of synthetic rubber have resulted in stagnant profitability. Given the circumstances, Ube Industries has decided to split off the business into a separate business entity that will independently operate the synthetic rubber business, including related research and development, manufacturing, and marketing. By operating as an independent business entity, the synthetic rubber business will strictly manage its profitability and strive to accelerate its decision-making. The personnel of the synthetic rubber business will make a renewed effort and work in unison to increase efficiencies and restore profitability, so that the synthetic rubber business can continue to contribute to the success and growth of its customers.

Ube Industries manufactures and supplies synthetic rubber products from four production bases in Thailand, China, and Malaysia in addition to Chiba, Japan to a global customer base. The synthetic rubber business is an important cornerstone of Ube Industries’ business portfolio in the chemicals segment. The business will continue to occupy an important position in the portfolio even though it will be operated as a separate and independent company.

2. Summary of the Company Split

(1) Schedule of the Company Split

Date of resolution by Board of Directors	April 30, 2021
Company split to take effect	October 1, 2021 (may be subject to change)

Note: Since the company split constitutes a simple incorporation-type split as defined in Article 805 of the Companies Act, it is planned to implement the split without the approval of the General Meeting of Shareholders.

(2) Method of the Company Split

The integration will take the form of an incorporation-type split, with Ube Industries as the splitting company and the new company as the successor company.

(3) Details of Share Allocations for the Company Split

The new company will issue 8,000 shares, to be entirely allotted to Ube Industries in lieu of the rights and obligations of succession.

(4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights as a Result of the Company Split
The acquisition rights to stocks issued by Ube Industries will remain unchanged as a result of the company split. Ube Industries has not issued any bonds with stock acquisition rights.

(5) Change in Capital Due to the Company Split

The capital of Ube Industries will remain unchanged as a result of the company split.

(6) Rights and Obligations Assumed by the Successor Company

The new company will assume the assets and rights and obligations attributed to the Ube Industries' synthetic rubber business to be set out in the split plan.

(7) Expected Fulfillment of Obligations

The new company will not assume the liabilities of Ube Industries, so there will be no problem with debt repayment.

3. Summary of the Companies Involved in the Company Split

	Splitting Company (As of March 31, 2020)	Succeeding Company in Incorporation- Type Split (Scheduled for October 1, 2021)																				
(1) Name	Ube Industries, Ltd.	UBE Elastomer Co.Ltd.																				
(2) Location	1978-96 Kogushi, Ube, Yamaguchi Prefecture	Seavans North Building, 1-2-1 Shibaura, Minato-ku, Tokyo																				
(3) Representative	Masato Izumihara, President and Representative Director	Hisaaki Yokoo, President and Representative Director																				
(4) Business Description	Business related to chemicals, construction materials, machinery, etc.	Research and development, manufacture, and sales of synthetic rubber and its raw materials																				
(5) Capital	58,435 million yen	4,000 million yen																				
(6) Date of Establishment	March 10, 1942	October 1, 2021																				
(7) Shares Issued	106,200,107	8,000																				
(8) Fiscal Year-End	March 31	March 31																				
(9) Shareholders	<table border="0"> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td> <td>8.67%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (Trust Account)</td> <td>5.82%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (Trust Account 5)</td> <td>1.98%</td> </tr> <tr> <td>Sumitomo Life Insurance Company</td> <td>1.97%</td> </tr> <tr> <td>JP Morgan Chase Bank 385151</td> <td>1.90%</td> </tr> <tr> <td>Government of Norway</td> <td>1.79%</td> </tr> <tr> <td>JP Morgan Chase Bank 385771</td> <td>1.63%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td>1.58%</td> </tr> <tr> <td>Yamaguchi Bank, Ltd.</td> <td>1.53%</td> </tr> <tr> <td>J.P. Morgan Bank Luxembourg S.A. 1300000</td> <td>1.51%</td> </tr> </table>	The Master Trust Bank of Japan, Ltd. (Trust Account)	8.67%	Japan Trustee Services Bank, Ltd. (Trust Account)	5.82%	Japan Trustee Services Bank, Ltd. (Trust Account 5)	1.98%	Sumitomo Life Insurance Company	1.97%	JP Morgan Chase Bank 385151	1.90%	Government of Norway	1.79%	JP Morgan Chase Bank 385771	1.63%	Nippon Life Insurance Company	1.58%	Yamaguchi Bank, Ltd.	1.53%	J.P. Morgan Bank Luxembourg S.A. 1300000	1.51%	Ube Industries, Ltd. 100%
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(10) Consolidated Earnings and Financial Data of the Splitting Company for the Previous Fiscal Year																						
	Fiscal year	Fiscal year ended March 2020 (Consolidated)																				
	Net assets	354,447 million yen																				
	Gross assets	727,269 million yen																				
	Net assets per share	3,287.73 yen																				
	Net sales	667,892 million yen																				
	Operating profit	34,033 million yen																				
	Ordinary profit	35,724 million yen																				
	Profit attributable to owners of parent	22,976 million yen																				
	Net income per share	227.33 yen																				

4. Overview of the Splitting Business

(1) Description of the Splitting Business

Research and development, manufacture, and sales of synthetic rubber

(2) Sales Performance of the Splitting Business (Latest Forecast for Fiscal Year Ended March 31, 2021)

Net sales	27,000 million yen
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(3) Splitting Assets, Liabilities, and Amounts (Latest Forecast as of March 31, 2021)

Assets		Liabilities	
Item	Book Value	Item	Book Value
Current assets	10,000 million yen	Current liabilities	0 million yen
Non-current assets	12,400 million yen	Non-current liabilities	0 million yen
Total	22,400 million yen	Total	0 million yen

Note: Assumed amounts will be the actual amounts as of the Company Split taking effect.

5. Status after the Company Split

(1) Status of the Splitting Company

The company name, location, title and name of representative director, contents of business, capital, and fiscal year of Ube Industries remain unchanged as a result of the company split.

(2) Status of the Company Established by Incorporation-Type Split (Scheduled)

Name	UBE Elastomer Co.Ltd.
Location	Seavans North Building, 1-2-1 Shibaura, Minato-ku, Tokyo
Representative	Hisaaki Yokoo, President and Representative Director
Business Description	Research and development, manufacture, and sales of synthetic rubber and its raw materials
Capital	4,000 million yen
Fiscal Year-End	March 31

6. Future Outlook

The company split, as an incorporation-type split by Ube Industries, will have minimal effect on the consolidated financial results of Ube Industries.

Reference: Consolidated Performance Forecasts for the Fiscal Year Ended March 31, 2021 (Announced on April 23, 2021) and Consolidated Performance for the Fiscal Year Ended March 31, 2020

(Unit: Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Fiscal Year Ended March 2021 (Forecasts)	613,800	25,900	23,200	22,900
Fiscal Year Ended March 2020 (Results)	667,892	34,033	35,724	22,976