

# Vision UBE 2025 –Prime Phase–

Although our performance has been recovering from the impact of COVID-19, our results will be significantly less than sought for the final year of our medium-term management plan. We initially targeted operating profit of ¥55 billion for fiscal 2021, but we now project just ¥37 billion. We also expect key indicators will not reach our targets. We are nonetheless making headway with decisive steps in keeping with our three basic strategies for realizing the 2025 Vision.

Please see the Medium-Term Management Plan section of the UBE Group website for details on Vision UBE 2025 –Prime Phase–.

<https://www.ube-ind.co.jp/ube/en/corporate/management/strategy.html>



Medium-Term Management Plan  
Vision UBE 2025 –Prime Phase–



## Progress and Plan

		Billions of yen				
		Results		Plan		Initial plan
		FY2019	FY2020	FY2021		
		<i>Before adopting revenue recognition accounting standards, etc.</i>				
Key Figures	Net sales	¥667.8	<b>¥613.8</b>	¥570.0	¥650.0	¥770.0
	Operating profit	34.0	<b>25.9</b>	37.0		55.0
	Ordinary profit	35.7	<b>23.2</b>	34.5		58.0
	Profit attributable to owners of parent	22.9	<b>22.9</b>	21.0		35.0
Key Indicators	Return on sales (ROS)	5.1%	<b>4.2%</b>	6.5%	5.7%	7%
	Return on equity (ROE)	6.9%	<b>6.6%</b>	5.8%		10%

## Progress and Plan by Segment

Net Sales	Billions of yen				
	Results		Plan		Initial plan
	FY2019	FY2020	FY2021		
	<i>Before adopting revenue recognition accounting standards, etc.</i>				
Chemicals	¥286.0	<b>¥259.3</b>	¥280.0	¥290.0	¥350.0
Construction Materials	303.0	<b>282.8</b>	200.0	270.0	330.0
Machinery	90.7	<b>78.7</b>	95.0	95.0	105.0
Others	4.5	<b>3.1</b>	3.0	3.0	5.0
Adjustment*	(16.5)	<b>(10.1)</b>	(8.0)	(8.0)	(20.0)
Total	667.8	<b>613.8</b>	570.0	650.0	770.0

## Operating Profit

	Billions of yen				
	Results		Plan		Initial plan
	FY2019	FY2020	FY2021		
Chemicals	¥14.5	<b>¥ 8.1</b>	¥20.5		¥32.0
Construction Materials	14.5	<b>14.7</b>	11.5		16.5
Machinery	4.9	<b>2.8</b>	5.0		7.0
Others	0.5	<b>0.4</b>	0.5		0.5
Adjustment*	(0.6)	<b>(0.3)</b>	(0.5)		(1.0)
Total	34.0	<b>25.9</b>	37.0		55.0

\* Includes elimination of inter-segment transactions

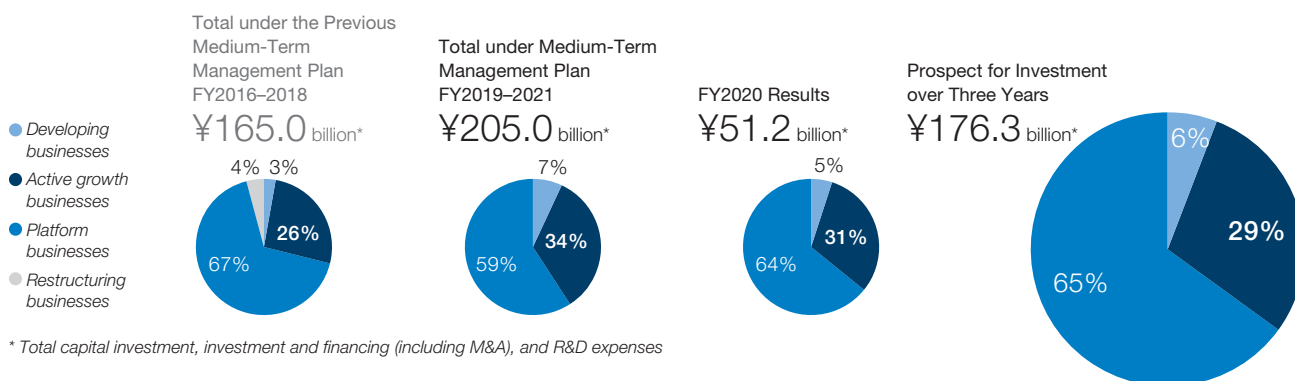
## Business Portfolio

● Developing businesses	Tyranno Fiber®, lithium titanium oxide (LTO)
● Active growth businesses	Nylon, fine chemicals, high-performance coatings, synthetic rubber, polyimides, separation membranes, separators Magnesia and calcia, biomass fuel, resource recycling
● Platform businesses	Caprolactam, industrial chemicals, pharmaceuticals Cement and ready-mixed concrete, energy Molding machines, industrial machines, steel products

## Business Resource Allocation Plan by Portfolio Segmentation and Progress

We expect to invest ¥176.3 billion over three years, compared with a planned ¥205.0 billion, in capital expenditures, investment and loans, and R&D.

Markets have expanded slower than expected owing to the pandemic and other factors. We have accordingly postponed or terminated spending, especially in active growth businesses. Consequently, the total investment amount has not reached the initial plan. We have nonetheless upheld our basic policy of investing primarily in such areas. Under our previous medium-term management plan, active growth businesses accounted for 26% of investments. The projected figure under our current plan is higher, at 29%.



## UBE Group's Growth Strategies

### Chemicals Growth

In April 2022, the cement business will become an equity-method affiliate → We target further growth in the chemicals business

#### Growth Approach

Build a resilient business portfolio offering growth potential by shifting to a specialty chemicals business structure that consumes less energy and is less prone to fluctuations

Please see page 20 for details.

### Cement Business Integration

In April 2022, we will integrate all construction materials businesses with the cement business of Mitsubishi Materials Corporation → The new entity will be Japan's second-largest cement manufacturer and supplier

#### Post-Integration Growth Strategy

Attain sustainable expansion by contributing to social infrastructure development and a circular economy by intensively investing cash flows from the domestic cement business in growth fields\*

\* Overseas cement and ready-mixed concrete businesses and high-performance inorganic materials made from high-quality limestone

Please see pages 18-19 for details.

## Key Measures in Fiscal 2020

● Chemicals ● Construction Materials ● Machinery

### Alliances and Acquisitions

- Completed transfer of chemical equipment business from Hitachi Plant Mechanics, Co., Ltd.
- Signed definitive agreement with Mitsubishi Materials Corporation to integrate cement and other businesses
- Formed joint venture with Mitsubishi Chemical Corporation to establish MU Ionic Solutions Corporation to offer electrolytes for lithium-ion secondary batteries and other applications

### Capacity Upgrades

- Established stage II of polycarbonate diol (PCD) facilities in Thailand
- Boosted synthetic rubber debottlenecking production in Thailand
- Began construction to raise production of biphenyltetracarboxylic dianhydride (BPDA), a raw material for polyimide, in Ube
- Inaugurated separator facility at the Sakai Factory

### Reorganizations

- Absorbed Ube Ammonia Industry, Ltd.
- Fully integrated injection molding machine business company acquired from Mitsubishi Heavy Industries, Ltd. Nagoya Factory started its operation.