



Company name: Ube Industries, Ltd.
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President and Representative Director
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Ube Industries to Integrate Its Construction Materials Business with Consolidated Subsidiary by Company Split (Simplified Absorption-Type Split)

TOKYO, November 1, 2017 — Ube Industries, Ltd. today announced that, by a resolution of the Board of Directors today, the Company will integrate its construction materials business by a company split (simplified absorption-type split). In the integration, Ube Industries will split off its construction materials business, which will then be succeeded by Ube Kenzai Corporation Ltd., the Company's wholly-owned subsidiary. The integration will take effect on April 1, 2018.

Because the integration will be by a simplified absorption-type split between Ube Industries and its wholly-owned subsidiary, some details regarding the integration will be withheld.

1. Purpose of the Integration

Ube Industries is implementing the Change & Challenge 2018 medium-term management plan for the three-year period starting in fiscal 2016. Under the management plan, the Company is implementing measures to improve revenues in each business segment and address issues in each business. In the Cement & Construction Materials segment, Ube Industries will integrate its construction materials business with that of its wholly-owned subsidiary, in order to maximize synergies within the UBE Group and better position the business to rapidly adapt to shifting business conditions, while pooling and ideally allocating business resources relating to the construction materials business.

2. Summary of Integration

(1) Schedule for Integration

Date of the Board of Directors' resolution	November 1, 2017
Conclusion date of company split agreement	November 1, 2017
Date of extraordinary general meeting of shareholders of Ube Kenzai Corporation	March 26, 2018 (may be subject to change)
Company split to take effect	April 1, 2018 (may be subject to change)

(Note 1) Because the integration is a simplified absorption-type split as stipulated under Article 784, Paragraph 2 of Japan's Companies Act, it will be implemented without obtaining the approval of the general meeting of shareholders of Ube Industries.

(2) Method of Integration

The integration will take the form of an absorption-type company split, with Ube Industries as the split company and Ube Kenzai Corporation as the succeeding company.

(3) Details of Share Allocations for the Integration

Upon integration, Ube Kenzai Corporation will issue 2,000 ordinary shares to be delivered in entirety to Ube Industries in exchange for the rights and obligations subject to succession.

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

The handling of stock acquisition rights for shares issued by Ube Industries will remain unchanged as a result of the integration (company split).

Ube Industries has no issued bonds with stock acquisition rights.

(5) Change in Capital Due to Company Split

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

(6) Rights and Obligations Assumed by the Succeeding Company

Ube Kenzai Corporation will assume the assets, liabilities, and contractual statuses of the construction materials business of Ube Industries.

(7) Expected Fulfillment of Obligations

Ube Kenzai Corporation is expected to fulfill obligations that are due following the date that the integration (company split) takes effect.

3. Overview of the Parties to the Integration (as of March 31, 2017)

	Split Company	Succeeding Company
(1) Company name	Ube Industries, Ltd.	Ube Kenzai Corporation Ltd.
(2) Location	1978-96 Kogushi, Ube, Yamaguchi Prefecture	704-65 Gokanjima Hamazoe, Fuji, Shizuoka Prefecture
(3) President	Yuzuru Yamamoto	Masatake Okazaki
(4) Business description	Business relating to chemicals, pharmaceuticals, construction materials, machinery, energy, and environment	Manufacturing, sales, and installation of corrugated sheets, raised flooring, and bath mat products; sales and installation of construction materials
(5) Capital stock	58,435 million yen	200 million yen
(6) Established	March 10, 1942	February 20, 2015
(7) Shares issued	106,200,107*	4,000
(8) Fiscal year-end	March 31	March 31

	Split Company	Succeeding Company
(9) Shareholders	Japan Trustee Services Bank (Trust Account) 6.23%	Ube Industries, Ltd. 100%
	The Master Trust Bank of Japan (Trust Account) 5.23%	
	Trust & Custody Services Bank (Investment Trust Collateral Account) 2.83%	
	Japan Trustee Services Bank (Trust Account #9) 2.22%	
	Nippon Life Insurance Company 1.88%	
	Sumitomo Life Insurance Company 1.88%	
(10) Financial data and earnings for previous fiscal year (million yen, except where noted)		
	Ube Industries (Consolidated)	Ube Kenzai (Non-Consolidated)
Fiscal year	Fiscal year Ended March 31, 2017	Fiscal year ended March 31, 2017
Net assets	310,401	800
Total assets	709,379	1,444
Net assets per share (yen)	2,707.61*	199,980.48
Net sales	616,563	2,260
Operating profit	34,960	175
Ordinary profit	33,348	174
Profit attributable to owners of the parent	24,185	115
Net Income per share (yen)	228.50*	28,806.44

*Effective October 1, 2017, Ube Industries implemented a share consolidation of one share per 10 ordinary shares issued. Accordingly, the number of shares issued, net assets per share, and net income per share are calculated based on the assumption that the share consolidation took place at the beginning of the previous consolidated fiscal year.

4. Overview of Split Business

(1) Description of Split Business

Development, manufacturing, and sales of the construction materials business of Ube Industries' Cement & Construction Materials segment

(2) Business Performance of Split Business (Fiscal Year Ended March 31, 2017)

Net sales	8,977 million yen
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(3) Split Assets, Liabilities, and Amounts

(Million yen)

Assets		Liabilities	
Item	Carrying Amount	Item	Carrying Amount
Current assets	3,642	Current liabilities	1,252
Non-current assets	610	Non-current liabilities	718
Total	4,252	Total	1,970

(Note 2) Calculations are based on the balance sheet as of March 31, 2018, forecasted by Ube Industries. The amounts succeeded will be the actual amounts of the effective date of the company split.

5. Status after Integration

(1) Status of Split 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 integration.

(2) Status of Succeeding Company (From April 1, 2018 (may be subject to change))

Company Name	Ube Construction materials Co., Ltd.
Location	1-2-1, Shibaura, Minato-ku, Tokyo
President	Masatake Okazaki
Business Description	Manufacturing, processing, procurement, sales, installation, import, and export of interior/exterior materials, waterproof materials, floor underlay materials, plastering materials, structural members, civil engineering materials, and other construction materials; seismic building design and consulting services; planning, manufacturing, processing, procurement, sales, import, and export of household goods
Capital Stock	300 million yen
Fiscal Year-End	March 31

6. Future Outlook

Because the integration is a company split with the succeeding company being a wholly-owned subsidiary of Ube Industries, the integration will have a minimal impact on Ube Industries' earnings.

(Reference) Consolidated Earnings Forecast for Fiscal 2017 Ending March 2018 (announced October 26, 2017) and Consolidated Earnings for Fiscal 2016 Ended March 2017 (Million yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Consolidated earnings forecasts for the fiscal year ending March 31, 2018	685,000	45,000	45,000	29,000
Consolidated earnings for the fiscal year ended March 31, 2017	616,563	34,960	33,348	24,185