Company name: Ube Industries, Ltd.
Representative: Yuzuru Yamamoto
President and Representative Director
Security code: 4208 (shares listed on First Section of Tokyo Stock Exchange and Fukuoka Stock Exchange)
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Ube Industries and Maxell Holdings Reached Basic Agreement to Reorganize and Integrate Business in Separators for Lithium-Ion Rechargeable Batteries

TOKYO, July 31, 2018 — Ube Industries, Ltd. today announced that it has reached basic agreement with Maxell Holdings, Ltd. to reorganize the framework of their joint venture, Ube Maxell Co., Ltd., and integrate the separator businesses of the three companies. The reorganization includes the transfer of Ube Industries' separator business to Ube Maxell and the establishment of new joint venture with Maxell Holdings, Ltd. The details of the agreement and changes are described below.

1. Purpose

Demand for separators, which are a key component of lithium-ion batteries, will increase with the growth of electric and hybrid vehicles.

Ube Industries manufactures separators using a dry process. These separators are extensively used in automotive lithium-ion batteries, due to their performance qualities and safety. Ube Industries is increasing its production capacity for separators, in order to meet growing demand.

In 2011, Ube Industries established Ube Maxell through a joint venture with Maxell Holdings. Ube Maxell engages in the production and marketing of high-performance coated separator films.

Ube Industries and Maxell reached a basic agreement to reorganize and integrate the separator businesses as described below. The main purpose of these changes is to further expand and develop the joint venture business and strengthen competitiveness in the separator market. Separators are a key component of lithium-ion rechargeable batteries, which continue to see sharp growth in automotive applications.

(1) Ube Industries will transfer its separator business to Ube Maxell, which will manufacture and conduct marketing and R&D for high-performance coated separator products, and for non-coated separator products. With these changes, Ube Maxell will realize an integrated framework for production and supply starting from separator base films, while offering both coated and non-coated separators. Ube Maxell will leverage its expanded product lineup to efficiently meet a wide range of market needs.

(2) The joint venture to be newly established, Ube Maxell Kyoto Co., Ltd. will improve homogeneous dispersion and precision coating technology cultivated in the business of magnetic tapes of Maxell Holdings. and conduct R&D for coated separator products which is in increasing demand.

(3) Ube Industries and Maxell Holdings will assign officers to the two joint ventures, and will discuss and implement management policies and strategies to strengthen and expand the separator business.

2. Data on Joint Ventures Following Reorganization and Integration

(1) Joint Venture Assuming Separator Business of Ube Industries

1. Company Name	Ube Maxell Co., Ltd.	
2. Location	1 Koizumi, Oyamazaki, Oyamazaki-cho, Otokuni-gun, Kyoto, Japan	
3. President	Masahiko Katsuta, President and Representative Director	
4. Business Description	Production and sales of coated/non-coated separators	
5. Capital Stock	2,726 million yen (scheduled)	
6. Establishment	February 2011	
7. Fiscal Year-End	March 31	
8. Shareholders (Percentage of Shares Held)	Ube Industries, Ltd. 66.00% Maxell Holdings, Ltd. 34.00%	
9. Relationship with Ube Industries	Capital relation	Ube Industries will hold 66% of the capital.
	Human relation	Ube Industries will assign representative and officers, and send employees.
	Business relation	Ube Industries and Ube Maxell have business transactions including purchase and sale of products.

(2) Joint Venture to Be Newly Established

1. Company Name	Ube Maxell Kyoto Co., Ltd.	
2. Location	1 Koizumi, Oyamazaki, Oyamazaki-cho, Otokuni-gun, Kyoto, Japan	
3. President	To be decided	
4. Business Description	Production of coated separator products	
5. Capital Stock	50 million yen (scheduled)	
6. Establishment	December 10, 2018(scheduled)	
7. Fiscal Year-End	March 31	
8. Shareholders (Percentage of Shares Held)	Maxell Holdings, Ltd. 51.00% Ube Industries, Ltd. 49.00%	
9. Relationship with Ube Industries	Capital relation	Ube Industries will hold 49% of the capital.
	Human relation	Ube Industries will assign officers
	Business relation	To be determined.

3. Data on Companies involved in Reorganize and Integrate Business

(1)	Company Name	Ube Industries, Ltd.	
(2)	Location	1978-96 Kogushi, Ube, Yamaguchi, Japan	
(3)	President	Yuzuru Yamamoto, President and Representative Director	
(4)	Business Description	Production and sales of products related to chemicals, pharmaceuticals, cement & construction materials, machinery, energy and environment	
(5)	Capital Stock	58,434 million yen	
(6)	Established	March 1942	
(7)	Main Shareholders (Percentage of Shares Held)	The Master Trust Bank of Japan, Ltd. (Trust Account)	6.29
		Japan Trustee Services Bank, Ltd. (Trust Account)	6.01
		Mizuho Securities Co., Ltd.	2.41

	Japan Trustee Services Bank, Ltd. (Trust Account No.9)	2.29
	Japan Trustee Services Bank, Ltd. (Trust Account No.5)	1.92
	SUMITOMO LIFE INSURANCE COMPANY (Standing proxy: Japan Trustee Services Bank, Ltd.)	1.90

(8) Consolidated Earnings and Financial Data for Last Three Years (In millions of yen)

Fiscal Year Ended March 31, 2016	Fiscal Year Ended March 31, 2017	Fiscal Year Ended March 31, 2018
641,750	616,563	695,574

(1)	Company Name	Maxell Holdings, Ltd.	
(2)	Location	1 Koizumi, Oyamazaki, Oyamazaki-cho, Otokuni-gun, Kyoto, Japan	
(3)	President	Yoshiharu Katsuta, President and Representative Director	
(4)	Business Description	Production and sales of functional components and materials, batteries, devices, optical components, and electric appliances	
(5)	Capital Stock	12,203 million yen	
(6)	Established	September 1960	
(7)	Main Shareholders (Percentage of Shares Held)	Japan Trustee Services Bank, Ltd.	14.81
		MSIP CLIENT SECURITIES (Standing proxy: Morgan Stanley MUFG Securities Co., Ltd.)	4.88
		The Master Trust Bank of Japan, Ltd.	4.67
		Nichia Corporation	3.79
		Taiyo Hanei Fund, L.P. (Standing proxy: MUFG Bank, Ltd.)	3.55
		CGML PB CLIENT ACCOUNT/COLLATERAL (Standing proxy: Citibank, N.A., Tokyo Branch)	3.47

(8) Consolidated Earnings and Financial Data for Last Three Years (In millions of yen)

Fiscal Year Ended March 31, 2016	Fiscal Year Ended March 31, 2017	Fiscal Year Ended March 31, 2018
156,216	135,116	148,198

4. Schedule

Date of the Board of Directors' resolution:	July 31, 2018
Date of signing joint venture agreement to establish joint venture:	July 31, 2018
Date of establishing joint venture:	December 10, 2018 (scheduled)
Date of starting business operations:	January 1, 2019(scheduled)

5. Future Outlook

The reorganization and integration will have a minimal impact on the earnings of the Ube Industries Group. Matters to be disclosed in relation to the reorganization and integration will be promptly disclosed when decided.