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 to Integrate Its Separators Business with Consolidated Subsidiary by Company Split (Simplified Absorption-Type Split)

TOKYO, November 1, 2018 — Ube Industries, Ltd. today announced that, per a resolution of the Board of Directors today, the Company will integrate its separators business for lithium-ion rechargeable batteries by a company split (simplified absorption-type split). In the integration, Ube Industries will split off its separators business, which will be succeeded by Ube Maxell Co., Ltd., the Company's consolidated subsidiary. The integration will take effect on January 1, 2019.

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

1. Purpose of the Integration

In this integration, Ube Industries will transfer its separators business to Ube Maxell, a joint venture between Ube Industries and Maxell Holdings, Ltd., as part of the reorganization of the separators business that was announced on July 31, 2018. With these changes, Ube Maxell will have 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. By integrating the separators business under the joint venture with Maxell, Ube Industries will seek to further strengthen competitiveness and expand and develop the joint venture business in the separators market, which continues to see rapid growth in automotive applications.

2. Summary of Integration

(1) Schedule for Integration

Date of the Board of Directors' resolution	November 1, 2018
Conclusion date of company split agreement	November 8, 2018 (may be subject to change)
Date of extraordinary general meeting of shareholders of Ube Maxell Co., Ltd.	December 10, 2018 (may be subject to change)
Company split to take effect	January 1, 2019 (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 Maxell as the succeeding company.

(3) Details of Share Allocations for the Integration

Upon integration, Ube Maxell will issue 49,600 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 not 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 Maxell will assume the assets, liabilities, and contractual statuses of the separators business of Ube Industries.

(7) Expected Fulfillment of Obligations

Ube Maxell is expected to fulfill obligations that become due following the date that the integration (company split) takes effect.

3. Approach to Calculating the Details of Share Allocations for the Integration

The share price of Ube Maxell, a non-listed company, was calculated based on forecasted net assets as of the integration of the business. The number of shares to be allocated to Ube Industries was decided after careful deliberation involving discussions with Maxell, the other investor in Ube Maxell, regarding the estimated value of the business to be succeeded and furthermore taking into account the calculations made by an independent third-party organization using the discounted cash flow method.

4. Data on Companies Involved (As of March 31, 2018)

		Split Company	**Succeeding Company**
(1)	Company Name	Ube Industries, Ltd.	Ube Maxell Co., Ltd.
(2)	Location	1978-96 Kogushi, Ube, Yamaguchi Prefecture	1 Koizumi, Oyamazaki-cho, Otokuni-gun, Kyoto, Japan
(3)	President	Yuzuru Yamamoto	Masahiko Katsuta
(4)	Business Description	Business relating to chemicals, pharmaceuticals, cement and construction materials, machinery, and energy and environment	Production, sales and R&D of lithium-ion battery separators

		Split Company	Succeeding Company
(5)	Capital Stock	58,435 million yen	625 million yen
(6)	Established	March 10, 1942	February 1, 2011
(7)	Shares Issued	106,200,107	12,500
(8)	Fiscal Year-End	March 31	March 31
(9)	Shareholders	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 1.90%	Ube Industries, Ltd. 51.0% Maxell Holdings, Ltd. 49.0%

(10) Financial Data and Earnings for Previous Fiscal Year (million yen, except where noted)

	Ube Industries (Consolidated)	Ube Maxell Co., Ltd. (Non-Consolidated)
Fiscal year	Fiscal year Ended March 31, 2018	Fiscal year Ended March 31, 2018
Net assets	336,861	1,529
Total assets	743,129	3,368
Shareholders' equity per share (yen)	3,002.86	122,306.22
Net sales	695,574	5,720
Operating profit	50,250	896
Ordinary profit	50,728	857
Profit attributable to owners of parent	31,680	708
Net income per share (yen)	301.65	56,631.89

5. Overview of Split Business

(1) Description of Split Business

Development, manufacturing, and sales of separators in Ube Industries' Chemicals segment

(2) Business Performance of Split Business (Fiscal Year Ended March 31, 2018)

Net sales	7,176 million yen

(3) Split Assets, Liabilities, and Amounts

Assets		Liabilities	
Item	Carrying Amount	Item	Carrying Amount
Current assets	751 million yen	Current assets	9,367 million yen
Non-current assets	12,016 million yen	Non-current assets	0 million yen
Total	12,767 million yen	Total	9,367 million yen

(Note 2) Calculations are based on the balance sheet as of January 1, 2019, as forecasted today by Ube Industries. The amounts succeeded will be the actual amounts as of the effective date of the company split.

6. 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 January 1, 2019; may be subject to change)

Company Name	Ube Maxell Co., Ltd.
Location	1 Koizumi, Oyamazaki-cho, Otokuni-gun, Kyoto, Japan
President	Masahiko Katsuta
Business Description	Production, sales and R&D of lithium-ion battery separators
Capital Stock	625 million yen
Fiscal Year-End	March 31

7. Future Outlook

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

(Reference) Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2019 (Announced May 10, 2018) and Consolidated Earnings for the Fiscal Year Ended March 2018

(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Consolidated earnings forecasts for the fiscal year ending March 31, 2019	740,000	44,000	45,500	30,500
Consolidated earnings for the fiscal year ended March 31, 2018	695,574	50,250	50,728	31,680