FY2020 Consolidated Results
FY2021 Consolidated Forecasts
Explanatory material

May 12, 2021

UBE INDUSTRIES,LTD.

FY2020 Consolidated Results



Scope of Consolidation

Item	End of FY2019 (A)	End of FY2020 (B)	Difference (B) - (A)	Notes
Number of consolidated subsidiaries	69	66	(3)	+ Premium Composite Technology North America, Inc. – U-MHI Platech Co., Ltd. – U-MHI PLATECH AMERICA, INC. – AET Electrolyte Technologies (Zhangjiagang) Co., Ltd. – Ube Ammonia Industry, Ltd.
Number of equity method affiliates	26	26	0	+ MU Ionic Solutions Corporation + CNSG Anhui Hong Sifang & UBE New Material Technology Co., Ltd. – Changshu UM Battery Materials Co., Ltd. – KYOCERA-UBE RF TEC Corporation
Total	95	92	(3)	

Environmental Factors

Item				FY2019 (A)	FY2020 (B)	Difference (B) - (A)
Exchange Rate			Yen/$	108.7	106.1	(2.6)
Material Price	Naphtha	CIF	$/ t	541	396	(145)
		Domestic	Yen/KL	42,900	31,200	(11,700)
	Benzene (ACP)		$/ t	666	500	(166)
	Australian Coal (CIF)		$/ t	99.3	82.0	(17.3)
			Yen/t	10,793	8,700	(2,093)

Major P/L Items

(Billions of yen)

Item	FY2019 (A)	FY2020 (B)	Difference (B) - (A)	Percentage change
Net sales	667.8	613.8	(54.0)	(8.1)%
Operating profit	34.0	25.9	(8.1)	(23.9)%
Ordinary profit	35.7	23.2	(12.4)	(34.8)%
Profit attributable to owners of parent	22.9	22.9	(0.0)	(0.2)%

Net Sales and Operating Profit by Segment

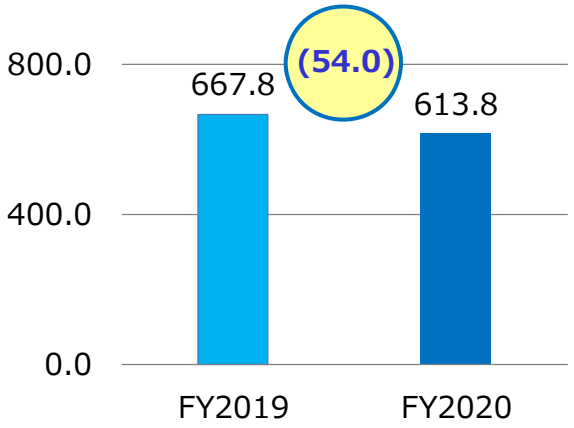
(Billions of yen)

	Segment	FY2019 (A)	FY2020 (B)	Difference (B) - (A)	Percentage change
Net sales	Chemicals	286.0	259.3	(26.6)	(9.3)%
	Construction Materials	303.0	282.8	(20.1)	(6.7)%
	Machinery	90.7	78.7	(12.0)	(13.3)%
	Others	4.5	3.1	(1.4)	(31.9)%
	Adjustment	(16.5)	(10.1)	6.3	-
	Total	667.8	613.8	(54.0)	(8.1)%
Operating profit	Chemicals	14.5	8.1	(6.3)	(43.7)%
	Construction Materials	14.5	14.7	0.1	1.2%
	Machinery	4.9	2.8	(2.1)	(42.7)%
	Others	0.5	0.4	(0.1)	(25.1)%
	Adjustment	(0.6)	(0.3)	0.2	-
	Total	34.0	25.9	(8.1)	(23.9)%

Analysis - Total

(Billions of yen)

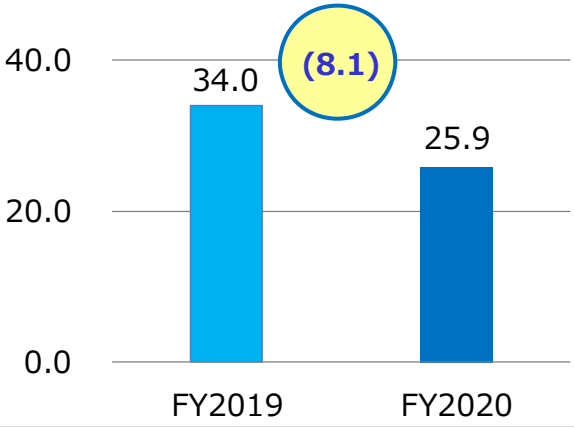
Net Sales



Chemicals	(26.6)
Construction Materials	(20.1)
Machinery	(12.0)
Others	(1.4)
Adjustment	6.3

(8.1)% Decreased

Operating profit



Chemicals	(6.3)
Construction Materials	0.1
Machinery	(2.1)
Others	(0.1)
Adjustment	0.2

(23.9)% Decreased

Difference of operating profit

Price ※1	(1.1)
Volume	(10.9)
Fixed Cost and Others ※2	3.9
Total	**(8.1)**

***1: Including both selling and purchase change**

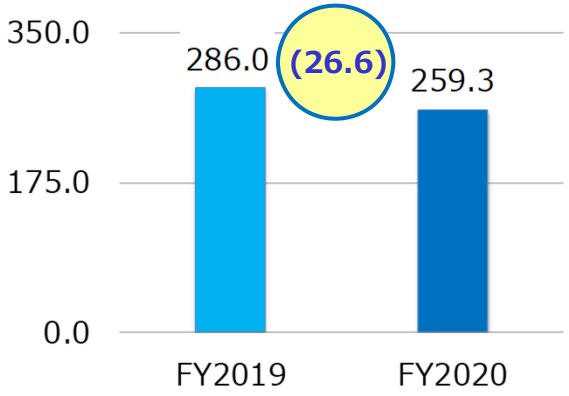
***2: Including inventory valuation changes and lowest cost accounting**

FY2020 Consolidated Results

Analysis - Chemicals

(Billions of yen)

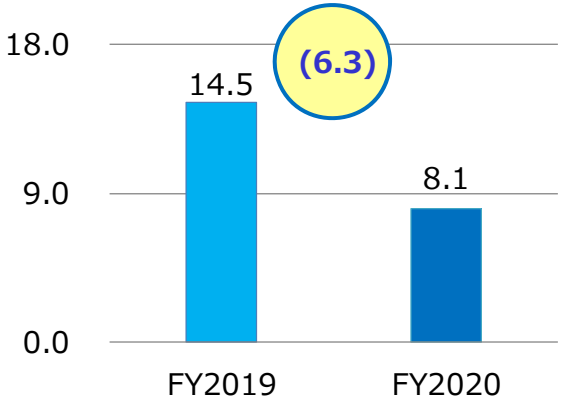
Net Sales



Engineering Plastics & Fine Chemicals	(17.9)
Synthetic rubber	(9.9)
Specialty Products	(1.6)
Pharmaceutical	(1.5)
etc	

(9.3)% Decreased

Operating profit



Engineering Plastics & Fine Chemicals	(5.8)
Synthetic rubber	(2.2)
Specialty Products	1.1
Pharmaceutical	(0.3)
etc	

(43.7)% Decreased

Difference of operating profit

Price ※1	(6.5)
Volume	(5.0)
Fixed Cost and Others ※2	5.1
Total	**(6.3)**

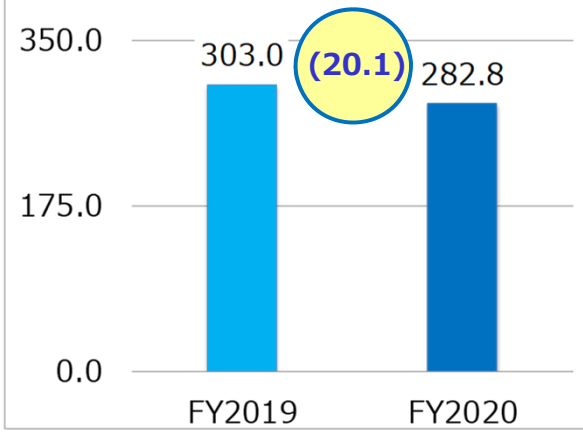
***1: Including both selling and purchase change**

***2: Including inventory valuation changes and lowest cost accounting**

Analysis –Construction Materials

(Billions of yen)

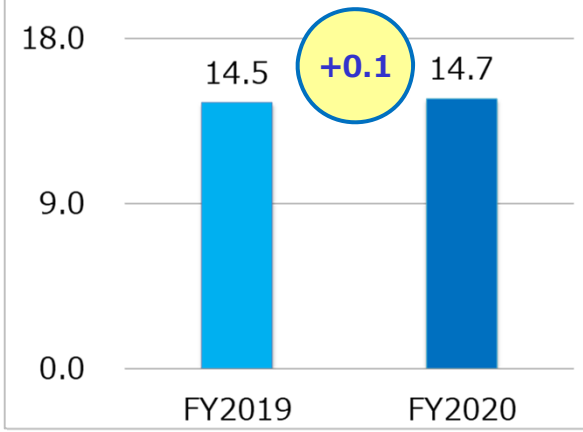
Net Sales



Cement and Ready-mixed concrete	2.5
Construction materials and Limestone related products	(8.3)
Coal	(13.5)
Power	(1.6)
	etc

(6.7)% Decreased

Operating profit



Cement and Ready-mixed concrete	1.0
Construction materials and Limestone related products	(2.6)
Coal	(0.3)
Power	2.0

1.2% Increased

Difference of operating profit

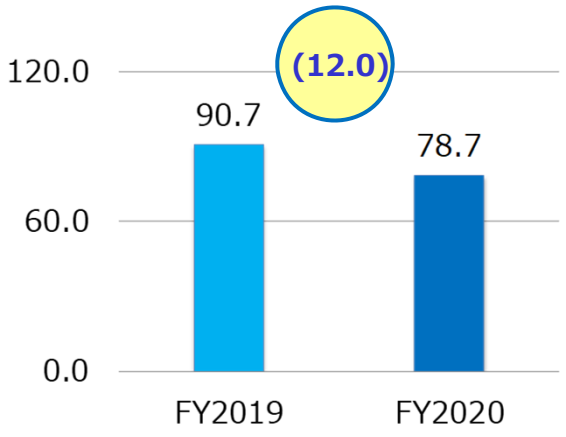
Price ※1	5.2
Volume	(5.3)
Fixed Cost and Others	0.3
Total	**0.1**

***1: Including both selling and purchase change**

Analysis - Machinery

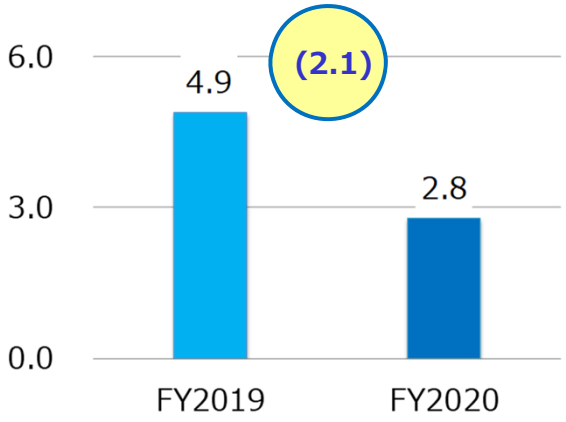
(Billions of yen)

Net Sales



(13.3)% Decreased

Operating profit



(42.7)% Decreased

Difference of operating profit

Price ※1	0.2
Volume	(0.7)
Fixed Cost and Others ※2	(1.6)
Total	**(2.1)**

*1: Including both selling and purchase change

*2: Including marginal profit on machinery product (2.5)

Operating Profit – Profit attributable to owners of parent

(Billions of yen)

Item	FY2019 (A)	FY2020 (B)	Difference (B) - (A)
Operating profit	34.0	25.9	(8.1)
Non-operating income (expenses)	1.6	(2.6)	(4.3)
Net interests expenses	0.4	0.0	(0.3)
Share of profit of entities accounted for using equtiy method	2.3	1.1	(1.2)
Foreign exchange gains	0.6	0.3	(0.3)
Others	(1.7)	(4.1)	(2.3)
Ordinary profit	35.7	23.2	(12.4)
Extraordinary income (losses)	(5.3)	(0.8)	4.5
Profit before income taxes	30.3	22.4	(7.9)
Income taxes and profit (loss) attributable to non-controlling interests	(7.3)	0.5	7.8
Profit attributable to owners of parent	22.9	22.9	(0.0)
Net income per share	227.33 yen	226.79 yen	(0.54) yen

Consolidated Balance Sheet

(Billions of yen)

Item	End of FY2019 (A)	End of FY2020 (B)	Difference (B) - (A)
Current assets	303.9	331.7	27.7
Fixed assets	423.1	437.8	14.6
Total assets	727.2	769.7	42.4
Interest-bearing debt	190.7	214.7	24.0
Other liabilities	182.1	174.3	(7.7)
Total liabilities	372.8	389.0	16.2
Shareholders' equity *1	332.3	359.0	26.6
Non-controlling interests and others	22.0	21.6	(0.4)
Total net assets	354.4	380.6	26.1
Total liabilities and net assets	727.2	769.7	42.4

*1: Shareholders' equity = Net assets – Share acquisition rights – Non-controlling interests

Consolidated Statements of Cash Flows

(Billions of yen)

Item	FY2019	FY2020	
A.Cash flows from operating activities	68.4	66.0	Profit before income taxes 22.4 Depreciation and amortization 36.3 Increase in working capital 14.7 Income taxes paid (7.5) etc.
B.Cash flows from investing activities	(40.6)	(39.4)	Acquisition of PP&E (38.2) etc.
Free cash flows (A+B)	27.8	26.6	
C.Cash flows from financing activities	(18.9)	10.8	Increase in interest-bearing debts 20.3 Dividends paid (9.3) etc.
D.Net increase/decrease in cash and cash equivalents	8.3	39.0	
E.Cash and cash equivalents at end of the fiscal year	40.6	79.6	

FY2021 Consolidated Forecasts



Scope of Consolidation

Item	End of FY2020 (A)	End of FY2021 (B)	Difference (B) - (A)	Notes
Number of consolidated subsidiaries	66	64	(2)	+ UBE Elastomer Co.Ltd. – UBE Advanced Materials INC. – Advanced Electrolyte Technologies LLC – Ube Realty & Development Co., Ltd.
Number of equity method affiliates	26	27	1	+ C Integration Arrangement, Ltd.
Total	92	91	(1)	

Environmental Factors

Item				FY2020 (A)	FY2021 (B)	Difference (B) - (A)
Exchange Rate			Yen/$	106.1	103.0	(3.1)
Material Price	Naphtha	CIF	$/ t	396	500	104
		Domestic	Yen/KL	31,200	37,800	6,600
	Benzene (ACP)		$/ t	500	600	100
	Australian Coal (CIF)		$/ t	82.0	107.8	25.8
			Yen/t	8,700	11,098	2,398

Major P/L & B/S Items

(Billions of yen)

Item	FY2020 (A)	FY2021 (B)	Difference (B) - (A)	Percentage change
Net sales *1	613.8	570.0 650.0	(43.8) 36.2	- 5.9%
Operating profit	25.9	37.0	11.1	42.8%
Ordinary profit	23.2	34.5	11.3	48.1%
Profit attributable to owners of parent	22.9	21.0	(1.9)	(8.4)%

Item	End of FY2020 (A)	End of FY2021 (B)	Difference (B) - (A)
Total assets	769.7	755.0	(14.7)
Interest-bearing debt	214.7	185.0	(29.7)
Equity capital *2	359.0	360.0	1.0
Dividend(Yen /Share) *3	90.00	90.00	0.00

*1: The above forecast of consolidated financial results shows the amounts after which the "Accounting Standard for Revenue Recognition" is adopted so the rate of increase and decrease in net sales compared with the previous fiscal year is not indicated.The figures shown at the bottom of each table are reference values for expected results if the Accounting Standard for Revenue Recognition is not adopted.

*2: Equity capital = Net assets - Subscription rights to shares - Non-controlling interests

*3: Dividend : Total annual/90yen (Interim/45yen,Fiscal year-end/45yen)

Net Sales and Operating Profit by Segment

(Billions of yen)

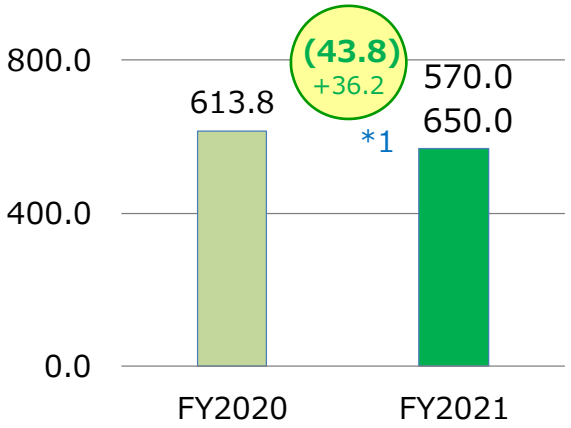
	Segment	FY2020 (A)	FY2021 (B)	Difference (B) - (A)	Percentage change
Net sales	Chemicals	259.3	280.0	20.7	-
			*1 290.0	30.7	11.8%
	Construction Materials	282.8	200.0	(82.8)	-
			270.0	(12.8)	(4.5)%
	Machinery	78.7	95.0	16.3	-
			95.0	16.3	20.7%
	Others	3.1	3.0	(0.1)	-
			3.0	(0.1)	(3.8)%
	Adjustment	(10.1)	(8.0)	2.1	-
			(8.0)	2.1	-
	Total	613.8	570.0	(43.8)	-
			650.0	36.2	5.9%
Operating profit	Chemicals	8.1	20.5	12.4	150.5%
	Construction Materials	14.7	11.5	(3.2)	(22.0)%
	Machinery	2.8	5.0	2.2	76.6%
	Others	0.4	0.5	0.1	11.9%
	Adjustment	(0.3)	(0.5)	(0.2)	-
	Total	25.9	37.0	11.1	42.8%

*1: The figures shown at the bottom of each table are reference values for expected results if the Accounting Standard for Revenue Recognition is not adopted.

Analysis - Total

(Billions of yen)

Net Sales



Chemicals	20.7
Construction Materials	(82.8)
Machinery	16.3
Others	(0.1)
Adjustment	2.1

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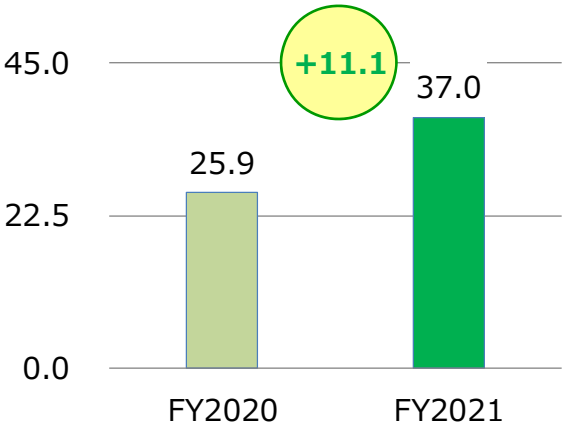
5.9% Increased

Operating Profit



Chemicals	12.4
Construction Materials	(3.2)
Machinery	2.2
Others	0.1
Adjustment	(0.2)

42.8% Increased

Difference of operating profit

Price ※1	(1.4)
Volume	13.2
Fixed Cost and Others ※2	(0.7)
Total	**11.1**

***1: Including both selling and purchase change**

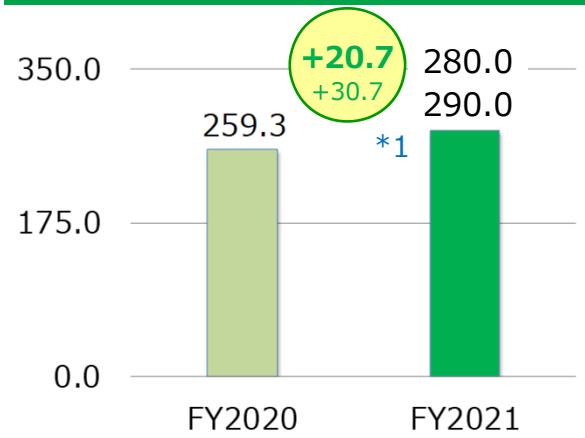
***2: Including inventory valuation changes and lowest cost accounting**

***1: The figures shown at the bottom of each table are reference values for expected results if the Accounting Standard for Revenue Recognition is not adopted.**

Analysis -Chemicals

(Billions of yen)

Net Sales



Engineering Plastics & Fine Chemicals	13.5
Synthetic rubber	2.4
Specially Products	(1.0)
Pharmaceutical	0.3
etc	

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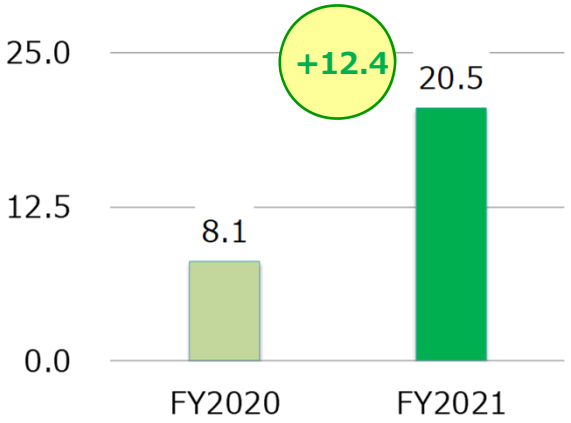
11.8% Increased

Operating Profit



Engineering Plastics & Fine Chemicals	11.2
Synthetic rubber	0.4
Specialty Products	1.8
Pharmaceutical	(0.0)
etc	

150.5% Increased

Difference of operating profit

Price ※1	3.7
Volume	10.7
Fixed Cost and Others ※2	(2.1)
Total	**12.4**

***1: Including both selling and purchase change**

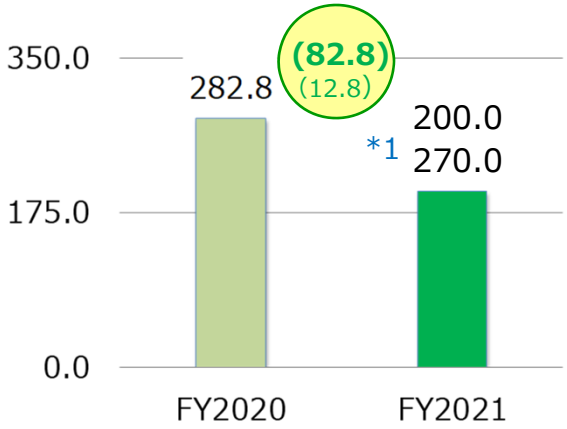
***2: Including inventory valuation changes and lowest cost accounting**

***1: The figures shown at the bottom of each table are reference values for expected results if the Accounting Standard for Revenue Recognition is not adopted.**

Analysis – Construction Materials

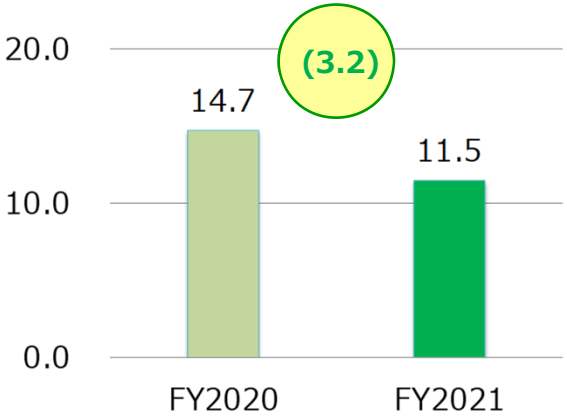
(Billions of yen)

Net Sales



Cement and Ready-mixed concrete	(87.5)
Construction materials and Limestone related products	4.4
Coal	2.1
Power	(1.2)
etc	
-	
(4.5)% Decreased	

Operating Profit



Cement and Ready-mixed concrete	(1.4)
Construction materials and Limestone related products	0.6
Coal	0.1
Power	(2.9)
etc	
(22.0)% Decreased	

Difference of operating profit

Price ※1	(4.8)
Volume	1.8
Fixed Cost and Others	(0.3)
Total	**(3.2)**

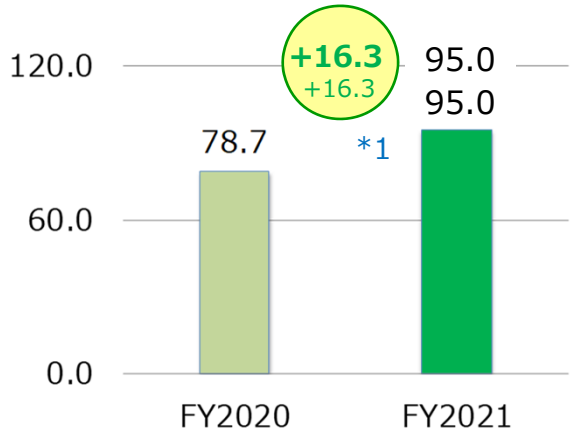
***1: Including both selling and purchase change**

***1: The figures shown at the bottom of each table are reference values for expected results if the Accounting Standard for Revenue Recognition is not adopted.**

Analysis – Machinery

(Billions of yen)

Net Sales



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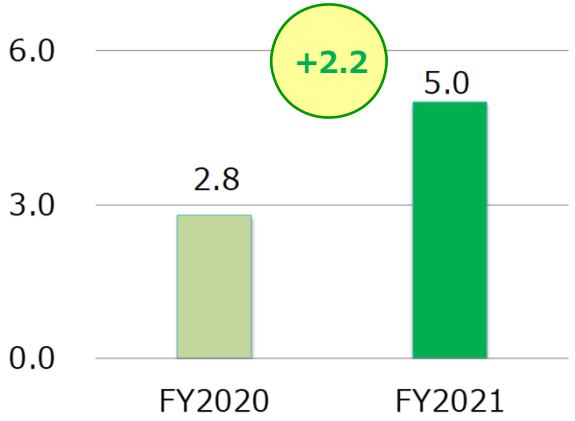
20.7% Increased

Operating Profit



76.6% Increased

Difference of operating profit

Price ※1	(0.3)
Volume	0.7
Fixed Cost and Others ※2	1.8
Total	**2.2**

***1: Including both selling and purchase change**

***2: Including marginal profit on machinery product 2.0**

***1: The figures shown at the bottom of each table are reference values for expected results if the Accounting Standard for Revenue Recognition is not adopted.**

FY2021 Consolidated Forecasts

Operating Profit – Profit attributable to owners of parent

(Billions of yen)

Item	FY2020 (A)	FY2021 (B)	Difference (B) - (A)
Operating profit	25.9	37.0	11.1
Non-operating income (expenses)	(2.6)	(2.5)	0.1
Ordinaly profit	23.2	34.5	11.3
Extraordinary income (losses)	(0.8)	(3.5)	(2.7)
Profit before income taxes	22.4	31.0	8.6
Income taxes and profit (loss) attributable to non-controlling interests	0.5	(10.0)	(10.5)
Profit attributable to owners of parent	22.9	21.0	(1.9)
Net income per share *1	226.79 yen	207.62 yen	(19.17) yen

*1: In calculating net income per share, the acquisition of treasury stock, which was resolved at the Board of Directors meeting held on May 12, 2021, is not taken into consideration.

Reference

Analysis of Operating Profit by Segment

(Billions of yen)

Segment	Operating profit					
	FY2019 (A)	FY2020 (B)	Difference (B) - (A)	Price *1	Volume	Fixed cost and others *2
Chemicals	14.5	8.1	(6.3)	(6.5)	(5.0)	5.1
Construction Materials	14.5	14.7	0.1	5.2	(5.3)	0.3
Machinery	4.9	2.8	(2.1)	0.2	(0.7)	*3 (1.6)
Others	0.5	0.4	(0.1)	0.0	0.0	(0.2)
Adjustment	(0.6)	(0.3)	0.2	-	-	0.3
Total	34.0	25.9	(8.1)	(1.1)	(10.9)	3.9

*1:Including both selling and purchase change *2:Including inventory valuation changes and lowest cost accounting
*3:Including marginal profit on machinery product (2.5)

Net Sales

(Billions of yen)

Segment	FY2020				
	1Q	2Q	3Q	4Q	Total
Chemicals	52.5	59.7	67.3	79.6	259.3
Construction Materials	69.1	69.9	73.2	70.4	282.8
Machinery	16.7	18.2	19.6	24.1	78.7
Others	0.7	0.7	0.8	0.8	3.1
Adjustment	(3.1)	(4.7)	(2.1)	(0.1)	(10.1)
Total	136.1	143.9	158.9	174.9	613.8

Operating Profit

(Billions of yen)

Segment	FY2020				
	1Q	2Q	3Q	4Q	Total
Chemicals	(2.7)	0.1	4.1	6.5	8.1
Construction Materials	1.9	3.7	5.3	3.6	14.7
Machinery	0.2	0.0	0.8	1.7	2.8
Others	0.0	0.1	0.1	0.1	0.4
Adjustment	(0.1)	0.0	(0.1)	(0.1)	(0.3)
Total	(0.6)	4.0	10.4	12.0	25.9

Reference: FY2020 Consolidated Results

4Q on 3Q - Net Sales

(Billions of yen)

Segment	FY2020 3Q (A)	FY2020 4Q (B)	Difference (B) - (A)	Major factors
Chemicals	67.3	79.6	12.2	Engineering Plastics & Fine Chemicals 2.7 Synthetic rubber 2.1 Specialty Products 2.8 Pharmaceutical 0.3 etc.
Construction Materials	73.2	70.4	(2.7)	Cement and Ready-mixed concrete (4.9) Construction materials and Limestone related products (0.8) Coal 3.0 Power (0.6) etc.
Machinery	19.6	24.1	4.5	
Others	0.8	0.8	(0.0)	
Adjustment	(2.1)	(0.1)	1.9	
Total	158.9	174.9	15.9	

4Q on 3Q - Operating Profit

(Billions of yen)

Segment	FY2020 3Q (A)	FY2020 4Q (B)	Difference (B) - (A)	Major factors
Chemicals	4.1	6.5	2.4	Engineering Plastics & Fine Chemicals 0.8 Synthetic rubber 1.4 Specialty Products 1.2 Pharmaceutical (0.7) etc.
Construction Materials	5.3	3.6	(1.6)	Cement and Ready-mixed concrete (1.5) Construction materials and Limestone related products (0.6) Coal (0.0) Power 0.2 etc.
Machinery	0.8	1.7	0.9	
Others	0.1	0.1	(0.0)	
Adjustment	(0.1)	(0.1)	(0.0)	
Total	10.4	12.0	1.6	

Consolidated Key Indicators

(Billions of yen)

Item	FY2019	FY2020	FY2021 (forecast)
Capital investment	47.6	37.1	44.0
Depreciation and amortization	36.8	36.3	36.0
Research and development expenses	12.8	11.4	12.5
Adjusted operating profit	37.8	28.0	38.0
Interest-bearing debt	190.7	214.7	185.0
Shareholders' equity	332.3	359.0	360.0
Total assets	727.2	769.7	755.0
D/E ratio (times)	0.57	0.60	0.51
Shareholders' equity ratio (%)	45.7	46.6	47.7
Return on sales - ROS (%)	5.1	4.2	6.5 *1 5.7
Return on assets - ROA (%)	5.2	3.7	5.0
Return on equity – ROE (%)	6.9	6.6	5.8
Number of employees	10,890	10,897	10,900

*1: The figures shown at the bottom of each table are reference values for expected results if the Accounting Standard for Revenue Recognition is not adopted.

Consolidated Major Subsidiaries

(Billions of yen)

Subsidiaries and Affiliates	Business	Net Sales FY 2020	Difference of operating profit from FY 2019
UBE Corporation Europe, S.A. Unipersonal	Manufacture and sales of nylon, caprolactam, ammonium sulfate and fine chemical products	37.8	↓
UBE Chemicals (Asia) Public Company Limited	Manufacture and sales of nylon, caprolactam and ammonium sulfate	28.3	↑
THAI SYNTHETIC RUBBERS COMPANY LIMITED	Manufacture and sales of polybutadiene rubber	10.0	→
UBE Film, Ltd.	Manufacture and sales of plastic film products	9.4	↑
UBE EXSYMO CO., LTD.	Manufacture and sales of polypropylene molded products, fibers, fiber-reinforced plastics and electronic and information materials	12.3	↑
UBE Material Industries, Ltd.	Manufacture and sales of magnesia clinker, quicklime, slaked lime, etc.	39.7	↓
UBE Shipping & Logistics, Ltd.	Coastal shipping, port transport, containers, collection and transport of industrial waste, trading and engineering business	18.1	↓
UBE Construction Materials Sales Co., Ltd.	Sales of cement, ready-mixed concrete, building materials, etc.	64.6	→
SANSHIN TSUSHO Co., Ltd.	Sales of cement, ready-mixed concrete, building materials, etc.	21.7	→
Consolidated subsidiaries dealing ready-mixed concrete	Manufacture and sales of ready-mixed concrete	41.0	↑
Ube Construction materials Co., Ltd.	Manufacture, sales and construction of various building materials	10.2	→
UBE Machinery Corporation, Ltd.	Manufacture, sales, and service of molding machines, industrial machinery and bridge, etc.	42.2	↓
UBE Steel Co., Ltd	Manufacture and sales of cast iron and steel products and rolled steel billets	19.8	↓

Note: ↑ ↓ Represent an increase or decrease of over 0.1 billion JPY

Reference: FY2021 Consolidated Forecasts

Net Sales and Operating Profit in Half Years by Segment

(Billions of yen)

Segment	Net Sales			Operating profit		
	First half	Second half	Total	First half	Second half	Total
Chemicals	130.0	150.0	280.0	7.5	13.0	20.5
Construction Materials	100.0	100.0	200.0	4.5	7.0	11.5
Machinery	40.0	55.0	95.0	1.5	3.5	5.0
Others	1.5	1.5	3.0	0.2	0.3	0.5
Adjustment	(1.5)	(6.5)	(8.0)	(0.2)	(0.3)	(0.5)
Total	270.0	300.0	570.0	13.5	23.5	37.0

Major Items for Capital Expenditure

Segment	Subject	Place	Estimeated completion date
Chemicals	Construct 5th pharmaceutical plant	Ube, Japan	FY2021
	Expand plant of raw material of polyimide (BPDA)	Ube, Japan	FY2023
Construction Materials	Construct high-efficiency clinker cooler	Kanda, Japan	FY2021

Reference: IR Calendar

Analyst Briefing and Announcement of 1st Quarter Business Results

- **FY2021 Analyst Briefing （Telephone conference）**
  - **May 19, 10:00**

- **Announcement of 1st quarter Business Results**
  - **August 3, 15:30**

- **Telephone Conference for 1st Quarter**
  - **August 3, 18:30**

(Note) This schedule is subject to change without notice due to circumstances.



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