

**UBE**

**Financial Results  
for the 1st Quarter FY2021  
Explanatory material**

August 3, 2021

1st Quarter: April – June

**UBE INDUSTRIES, LTD.**

# FY2021 1st Quarter Consolidated Result



## Scope of Consolidation

Item	End of FY2020 (A)	End of FY2021 1Q (B)	Difference (B) - (A)	Notes
Number of consolidated subsidiaries	66	66	0	
Number of equity method affiliates	26	27	1	+ C Integration Arrangement, Ltd
Total	92	93	1	

## Environmental Factors

Item		FY2020 1Q (A)	FY2021 1Q (B)	Difference (B) - (A)		
Exchange Rate	Yen/\$	107.6	109.5	1.9		
Material Price	Naphtha	CIF	\$/ t	306	601	295
		Domestic	Yen/KL	24,900	47,700	22,800
	Benzene (ACP)	\$/ t	358	933	575	
	Australian Coal (CIF)	\$/ t	76.0	130.3	54.3	
		Yen/t	8,179	14,261	6,082	

## Major P/L Items

(Billions of yen)

Item	FY2020 1Q (A)	FY2021 1Q (B)	Difference (B) - (A)	Percentage change
Net sales <sup>*1</sup>	136.1	146.2	10.1	—
		<i>164.9</i>	<i>28.8</i>	<i>21.2%</i>
Operating profit (loss)	(0.6)	8.9	9.5	—
Ordinary profit (loss)	(1.2)	8.9	10.2	—
Profit (loss) attributable to owners of parent	(1.3)	4.7	6.0	—

\*1: We don't indicate the rate of increase and decrease in net sales compared with the previous fiscal year because of applying the "Accounting Standard for Revenue Recognition" from FY2021. Figures shown in italics are before applying Accounting Standard for Revenue Recognition.

## Net Sales and Operating Profit by Segment

(Billions of yen)

	Segment	FY2020 1Q	FY2021 1Q	Difference	Percentage change
		(A)	(B)	(B) - (A)	
Net sales	Chemicals	52.5	76.7	24.1	–
			<i>*1 78.8</i>	<i>26.2</i>	<i>50.0%</i>
	Construction Materials	69.1	48.7	(20.4)	–
			<i>66.1</i>	<i>(3.0)</i>	<i>(4.4)%</i>
	Machinery	16.7	21.4	4.7	–
			<i>20.5</i>	<i>3.8</i>	<i>22.8%</i>
Others	0.7	0.8	0.0	–	
		<i>0.8</i>	<i>0.0</i>	<i>13.0%</i>	
Adjustment	(3.1)	(1.4)	1.6	–	
		<i>(1.4)</i>	<i>1.6</i>	–	
Total	136.1	146.2	10.1	–	
		<i>164.9</i>	<i>28.8</i>	<i>21.2%</i>	
Operating profit (loss)	Chemicals	(2.7)	7.6	10.3	–
	Construction Materials	1.9	0.6	(1.2)	(65.6)%
	Machinery	0.2	0.7	0.4	196.8%
	Others	0.0	0.0	0.0	88.4%
	Adjustment	(0.1)	(0.2)	(0.0)	–
	Total	(0.6)	8.9	9.5	–

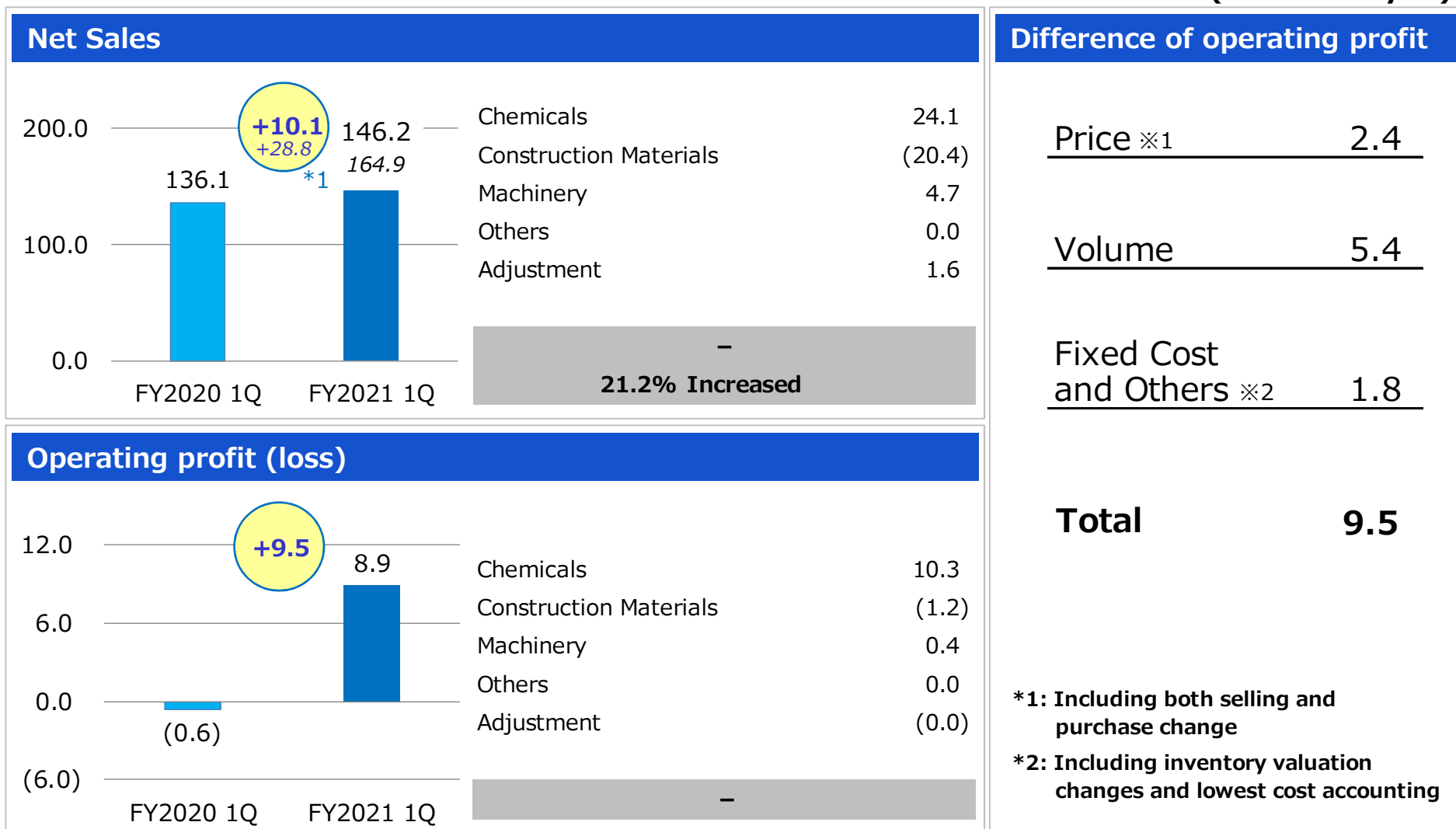
\*1: Figures shown in italics are before applying Accounting Standard for Revenue Recognition.

# 1st Quarter of the FY2021



## Analysis - Total

(Billions of yen)



\*1: Figures shown in italics are before applying Accounting Standard for Revenue Recognition.

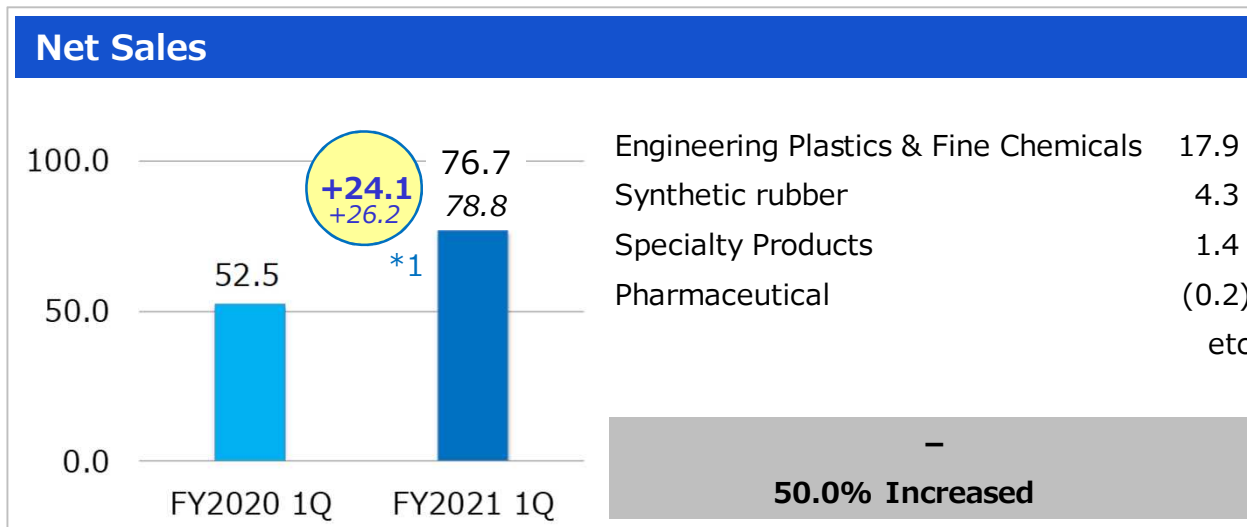
\*1: Including both selling and purchase change  
\*2: Including inventory valuation changes and lowest cost accounting

# 1st Quarter of the FY2021



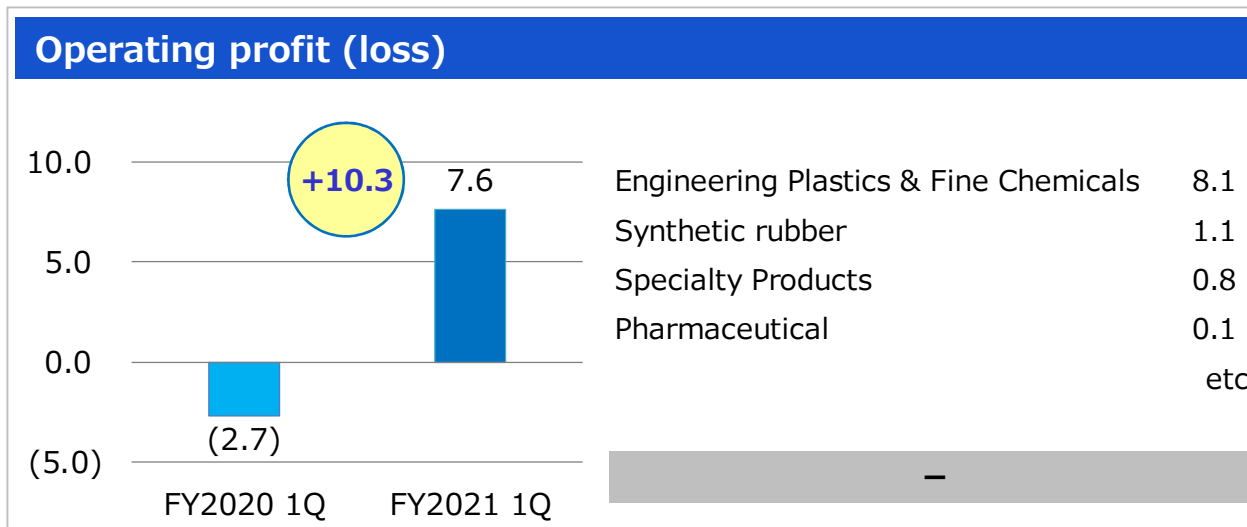
## Analysis - Chemicals

(Billions of yen)



### Difference of operating profit

Price ※1	3.4
Volume	5.3
Fixed Cost and Others ※2	1.7
<b>Total</b>	<b>10.3</b>



\*1: Including both selling and purchase change  
 \*2: Including inventory valuation changes and lowest cost accounting

\*1: Figures shown in italics are before applying Accounting Standard for Revenue Recognition.

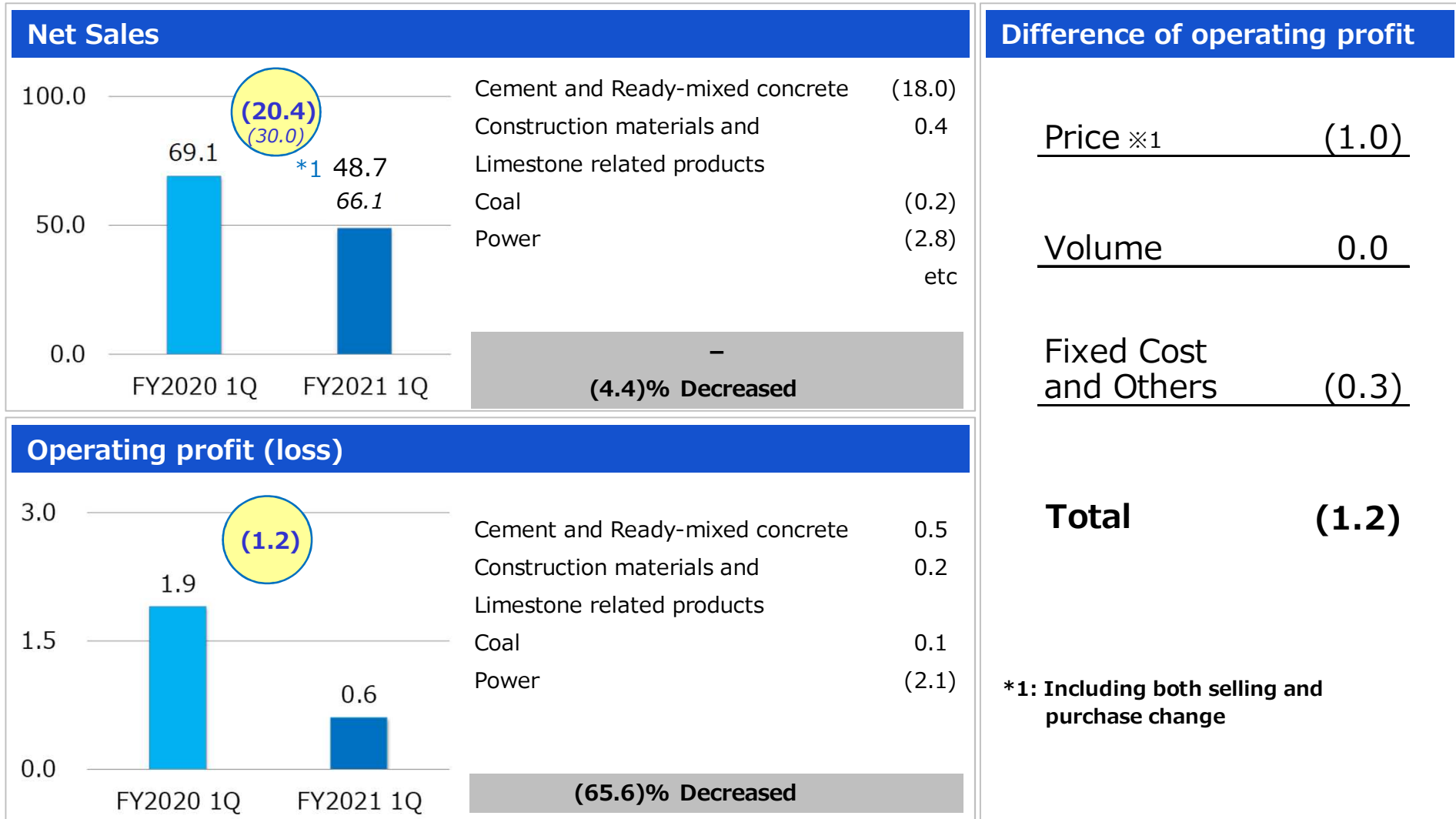


# 1st Quarter of the FY2021



## Analysis – Construction Materials

(Billions of yen)



\*1: Including both selling and purchase change

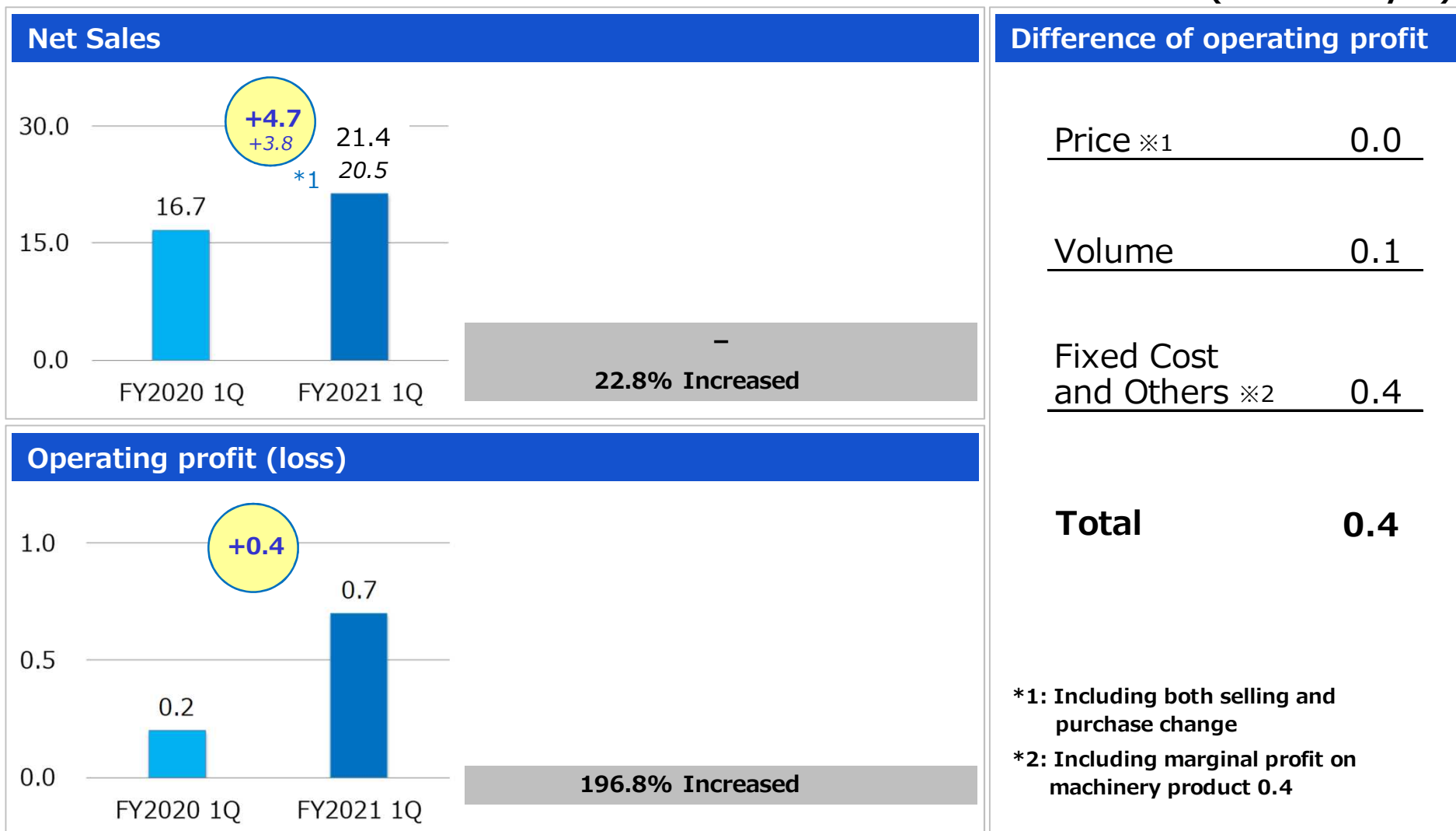
\*1: Figures shown in italics are before applying Accounting Standard for Revenue Recognition.

# 1st Quarter of the FY2021



## Analysis - Machinery

(Billions of yen)



\*1: Figures shown in italics are before applying Accounting Standard for Revenue Recognition.

## Operating Profit – Profit attributable to owners of parent

(Billions of yen)

Item	FY2020 1Q (A)	FY2021 1Q (B)	Difference (B) - (A)
Operating profit (loss)	(0.6)	8.9	9.5
Non-operating income (expenses)	(0.6)	0.0	0.6
Net interests expenses	0.2	0.3	0.0
Share of profit of entities accounted for using equitiy method	0.0	0.1	0.1
Foreign exchange gains (losses)	(0.2)	0.0	0.2
Others	(0.7)	(0.5)	0.1
Ordinary profit (loss)	(1.2)	8.9	10.2
Extraordinary income (losses)	0.4	(0.0)	(0.5)
Profit (loss) before income taxes	(0.7)	8.8	9.6
Income taxes and loss attributable to non-controlling interests	(0.5)	(4.1)	(3.5)
Profit (loss) attributable to owners of parent	(1.3)	4.7	6.0
Net income per share	(13.16) yen	47.31 yen	60.47 yen

## Consolidated Balance Sheet

(Billions of yen)

Item	End of FY2020 (A)	End of FY2021 1Q (B)	Difference (B) - (A)
Current assets	331.7	328.1	(3.5)
Fixed assets	437.8	434.6	(3.1)
<b>Total assets</b>	<b>769.7</b>	<b>762.9</b>	<b>(6.7)</b>
Interest-bearing debt	214.7	204.3	(10.3)
Other liabilities	174.3	183.3	9.0
<b>Total liabilities</b>	<b>389.0</b>	<b>387.7</b>	<b>(1.3)</b>
Shareholders' equity *1	359.0	353.8	(5.1)
Non-controlling interests and others	21.6	21.3	(0.3)
<b>Total net assets</b>	<b>380.6</b>	<b>375.2</b>	<b>(5.4)</b>
<b>Total liabilities and net assets</b>	<b>769.7</b>	<b>762.9</b>	<b>(6.7)</b>

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

## Consolidated Statements of Cash Flows

(Billions of yen)

Item	FY2020 1Q	FY2021 1Q	
A.Cash flows from operating activities	18.1	14.3	Profit before income taxes 8.8 Depreciation and amortization 9.0 Decrease in working capital (3.9) etc.
B.Cash flows from investing activities	(9.6)	(9.2)	Acquisition of PP&E (9.4) etc.
Free cash flows (A+B)	8.5	5.0	
C.Cash flows from financing activities	3.5	(19.7)	Decrease in interest-bearing debt (10.7) Dividends paid (4.6) Buy back of shares (4.3) etc.
D.Net increase/decrease in cash and cash equivalents	12.9	(14.6)	
E.Cash and cash equivalents at end of the quarter	53.5	65.0	

# Reference



Reference: 1st Quarter of the FY2021



## Analysis of Operating Profit by Segment

(Billions of yen)

Segment	Operating profit (loss)					
	FY2020 1Q (A)	FY2021 1Q (B)	Difference (B) - (A)	Price *1	Volume	Fixed cost and others *2
Chemicals	(2.7)	7.6	10.3	3.4	5.3	1.7
Construction Materials	1.9	0.6	(1.2)	(1.0)	0.0	(0.3)
Machinery	0.2	0.7	0.4	0.0	0.1	*3 0.4
Others	0.0	0.0	0.0	0.0	0.0	0.0
Adjustment	(0.1)	(0.2)	(0.0)	-	-	(0.1)
<b>Total</b>	<b>(0.6)</b>	<b>8.9</b>	<b>9.5</b>	<b>2.4</b>	<b>5.4</b>	<b>1.8</b>

\*1:Including both selling and purchase change \*2:Including inventory valuation changes and lowest cost accounting

\*3:Including marginal profit on machinery product 0.4

Reference: 1st Quarter of the FY2021



## Progress of Major P/L Items

(Billions of yen)

Item	FY2020 Results (A)		FY2021 Forecasts (B)		Difference (B) - (A)	
		1Q Progress		1Q Progress		1Q
Net sales	613.8	136.1 22.2%	570.0	146.2 25.7%	(43.8)	10.1
Operating profit	25.9	(0.6) -%	37.0	8.9 24.1%	11.1	9.5
Ordinary profit	23.2	(1.2) -%	34.5	8.9 25.9%	11.3	10.2
Profit attributable to owners of parent	22.9	(1.3) -%	21.0	4.7 22.6%	(1.9)	6.0



Reference: 1st Quarter of the FY2021



## Net Sales

(Billions of yen)

Segment	FY2021					Full-year (forecast)	Progress
	1Q	2Q	3Q	4Q	Total		
Chemicals	76.7	–	–	–	76.7	280.0	27.4%
Construction Materials	48.7	–	–	–	48.7	200.0	24.4%
Machinery	21.4	–	–	–	21.4	95.0	22.6%
Others	0.8	–	–	–	0.8	3.0	27.0%
Adjustment	(1.4)	–	–	–	(1.4)	(8.0)	–%
<b>Total</b>	<b>146.2</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>146.2</b>	<b>570.0</b>	<b>25.7%</b>

Reference: 1st Quarter of the FY2021



## Operating Profit

(Billions of yen)

Segment	FY2021					Full-year (forecast)	Progress
	1Q	2Q	3Q	4Q	Total		
Chemicals	7.6	–	–	–	7.6	20.5	37.2%
Construction Materials	0.6	–	–	–	0.6	11.5	5.8%
Machinery	0.7	–	–	–	0.7	5.0	14.8%
Others	0.0	–	–	–	0.0	0.5	16.2%
Adjustment	(0.2)	–	–	–	(0.2)	(0.5)	– %
<b>Total</b>	<b>8.9</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>8.9</b>	<b>37.0</b>	<b>24.1%</b>

Reference: 1st Quarter of the FY2021



## 1Q on 4Q - Net Sales

(Billions of yen)

Segment	FY2020 4Q (A)	FY2021 1Q (B)	Difference (B) - (A)	Major factors
Chemicals	79.6	76.7	(2.9)	Engineering Plastics & Fine Chemicals 5.9
		<i>*1</i> 78.8	<i>(0.7)</i>	Synthetic rubber 0.1 Specialty Products (2.9) Pharmaceutical (1.5) etc.
Construction Materials	70.4	48.7	(21.7)	Cement and Ready-mixed concrete (19.0)
		<i>66.1</i>	<i>(4.2)</i>	Construction materials and Limestone related products (0.2)
				Coal (0.1) Power (2.1) etc.
Machinery	24.1	21.4	(2.7)	
		<i>20.5</i>	<i>(3.6)</i>	
Others	0.8	0.8	0.0	
		<i>0.8</i>	<i>0.0</i>	
Adjustment	(0.1)	(1.4)	(1.2)	
		<i>(1.4)</i>	<i>(1.2)</i>	
Total	174.9	146.2	(28.6)	
		<i>164.9</i>	<i>(9.9)</i>	

\*1: Figures shown in italics are before applying Accounting Standard for Revenue Recognition.

Reference: 1st Quarter of the FY2021



## 1Q on 4Q – Operating profit

(Billions of yen)

Segment	FY2020 4Q (A)	FY2021 1Q (B)	Difference (B) - (A)	Major factors
Chemicals	6.5	7.6	1.0	Engineering Plastics & Fine Chemicals 2.0 Synthetic rubber (0.2) Specialty Products (0.8) Pharmaceutical (0.3) etc.
Construction Materials	3.6	0.6	(3.0)	Cement and Ready-mixed concrete 0.0 Construction materials and Limestone related products 0.1 Coal 0.2 Power (3.1) etc.
Machinery	1.7	0.7	(1.0)	
Others	0.1	0.0	(0.0)	
Adjustment	(0.1)	(0.2)	(0.0)	
<b>Total</b>	<b>12.0</b>	<b>8.9</b>	<b>(3.1)</b>	

Reference: 1st Quarter of the FY2021



## Consolidated Key Indicators

(Billions of yen)

Item	FY2020 1Q	FY2021 1Q	FY2021 full-year (forecast)	FY2020 full-year
Capital investment	10.8	6.7	44.0	37.1
Depreciation and amortization	9.0	9.0	36.0	36.3
Research and development expenses	2.7	2.8	12.5	11.4
Adjusted operating profit	(0.1)	9.5	38.0	28.0
Interest-bearing debt	202.1	204.3	185.0	214.7
Shareholders' equity	329.1	353.8	360.0	359.0
Total assets	725.0	762.9	755.0	769.7
D/E ratio (times)	0.61	0.58	0.51	0.60
Shareholders' equity ratio (%)	45.4	46.4	47.7	46.6
Return on sales - ROS (%)	(0.5)	6.1 <i>*1 5.3</i>	6.5 5.7	4.2
Return on assets - ROA (%)	-	-	5.0	3.7
Return on equity - ROE (%)	-	-	5.8	6.6
Number of employees	11,120	11,113	10,900	10,897

\*1: Figures shown in italics are before applying Accounting Standard for Revenue Recognition.

Reference: 1st Quarter of the FY2021



## Consolidated Major Subsidiaries

(Billions of yen)

Subsidiaries and affiliates	Business	Net Sales FY2021 1Q	Difference of operating profit from FY2020 1Q
UBE Corporation Europe, S.A. Unipersonal	Manufacture and sales of nylon, caprolactam, ammonium sulfate and fine chemical products	12.8	↑
UBE Chemicals (Asia) Public Company Limited	Manufacture and sales of nylon, caprolactam and ammonium sulfate	11.2	↑
THAI SYNTHETIC RUBBERS COMPANY LIMITED	Manufacture and sales of polybutadiene rubber	2.9	↑
UBE Film, Ltd.	Manufacture and sales of plastic film products	2.4	→
UBE EXSYMO CO., LTD.	Manufacture and sales of polypropylene molded products, fibers, fiber-reinforced plastics and electronic and information materials	3.1	→
UBE Material Industries, Ltd.	Manufacture and sales of magnesia clinker, quicklime, slaked lime, etc.	10.1	↑
UBE Shipping & Logistics, Ltd.	Coastal shipping, port transport, containers, collection and transport of industrial waste, trading and engineering business	4.8	↑
UBE Construction Materials Sales Co., Ltd.	Sales of cement, ready-mixed concrete, building materials, etc.	0.5	→
SANSHIN TSUSHO Co., Ltd.	Sales of cement, ready-mixed concrete, building materials, etc.	0.4	→
Consolidated subsidiaries dealing ready-mixed concrete	Manufacture and sales of ready-mixed concrete	7.8	→
Ube Construction materials Co., Ltd.	Manufacture, sales and construction of various building materials	2.1	→
UBE Machinery Corporation, Ltd.	Manufacture, sales, and service of molding machines, industrial machinery and bridge, etc.	11.6	↑
UBE Steel Co., Ltd	Manufacture and sales of cast iron and steel products and rolled steel billets	6.4	→

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

## **Announcement of 1st half Business Results**

- **Announcement of 1st half Business Results**
  - **November 2, 15:00**
  
- **Telephone Conference for 1st half Business Results**
  - **November 2, 18:00**

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

# UBE

This presentation material contains forward-looking statements concerning UBE's future plans, strategies, and performance. These forward-looking statements are not historical facts; rather, they represent assumptions and beliefs based on economic, financial, and competitive conditions currently observable. Forward-looking statements include information preceded by, followed by, or including the words "project", "predicts", "expects", "forecasts", "could", "may", or similar expressions.

Furthermore, they are subject to a number of risks and uncertainties which include, but are not limited to, economic conditions in key markets, supply and demand of products, the prices of raw material and fuel, interest rates, and exchange rates. Readers of this presentation material are cautioned not to place undue reliance on these forward-looking statements. Actual results may differ materially from expectations.

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