

UBE

**Financial Results
for the 1st half of FY2021
Explanatory material**

November 2, 2021

1st half: April – September

UBE INDUSTRIES, LTD.

FY2021 1st half Consolidated Results



Scope of Consolidation

Item	End of FY2020 (A)	End of FY2021 2Q (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 2Q (A)	FY2021 2Q (B)	Difference (B) - (A)		
Exchange Rate	Yen/\$	106.9	109.8	2.9		
Material Price	Naphtha	CIF	\$/ t	344	639	295
		Domestic	Yen/KL	27,600	50,700	23,100
	Benzene (ACP)	\$/ t	398	981	583	
	Australian Coal (CIF)	\$/ t	75.8	143.5	67.7	
		Yen/t	8,099	15,756	7,657	

Major P/L Items

(Billions of yen)

Item	FY2020 2Q (A)	FY2021 2Q (B)	Difference (B) - (A)	Percentage change
Net sales ^{*1}	280.0	306.6	26.6	—
		<i>347.1</i>	<i>67.1</i>	<i>24.0%</i>
Operating profit	3.4	19.0	15.6	459.8%
Ordinary profit	1.5	17.8	16.3	—
Profit attributable to owners of parent	0.2	9.5	9.2	—

*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 2Q (A)	FY2021 2Q (B)	Difference (B) - (A)	Percentage change
Net sales	Chemicals	112.3	157.3 <i>*1 161.8</i>	45.0 <i>49.4</i>	— <i>44.1%</i>
	Construction Materials	139.1	105.7 <i>143.5</i>	(33.4) <i>4.4</i>	— <i>3.2%</i>
	Machinery	34.9	45.3 <i>43.6</i>	10.4 <i>8.6</i>	— <i>24.8%</i>
	Others	1.4	1.5 <i>1.5</i>	0.1 <i>0.1</i>	— <i>7.9%</i>
	Adjustment	(7.8)	(3.4) <i>(3.4)</i>	4.4 <i>4.4</i>	— <i>—</i>
	Total	280.0	306.6 <i>347.1</i>	26.6 <i>67.1</i>	— <i>24.0%</i>
Operating profit (loss)	Chemicals	(2.5)	14.5	17.1	—
	Construction Materials	5.6	2.0	(3.6)	(63.8)%
	Machinery	0.2	2.3	2.1	839.7%
	Others	0.1	0.1	0.0	29.4%
	Adjustment	(0.0)	(0.0)	0.0	—
	Total	3.4	19.0	15.6	459.8%

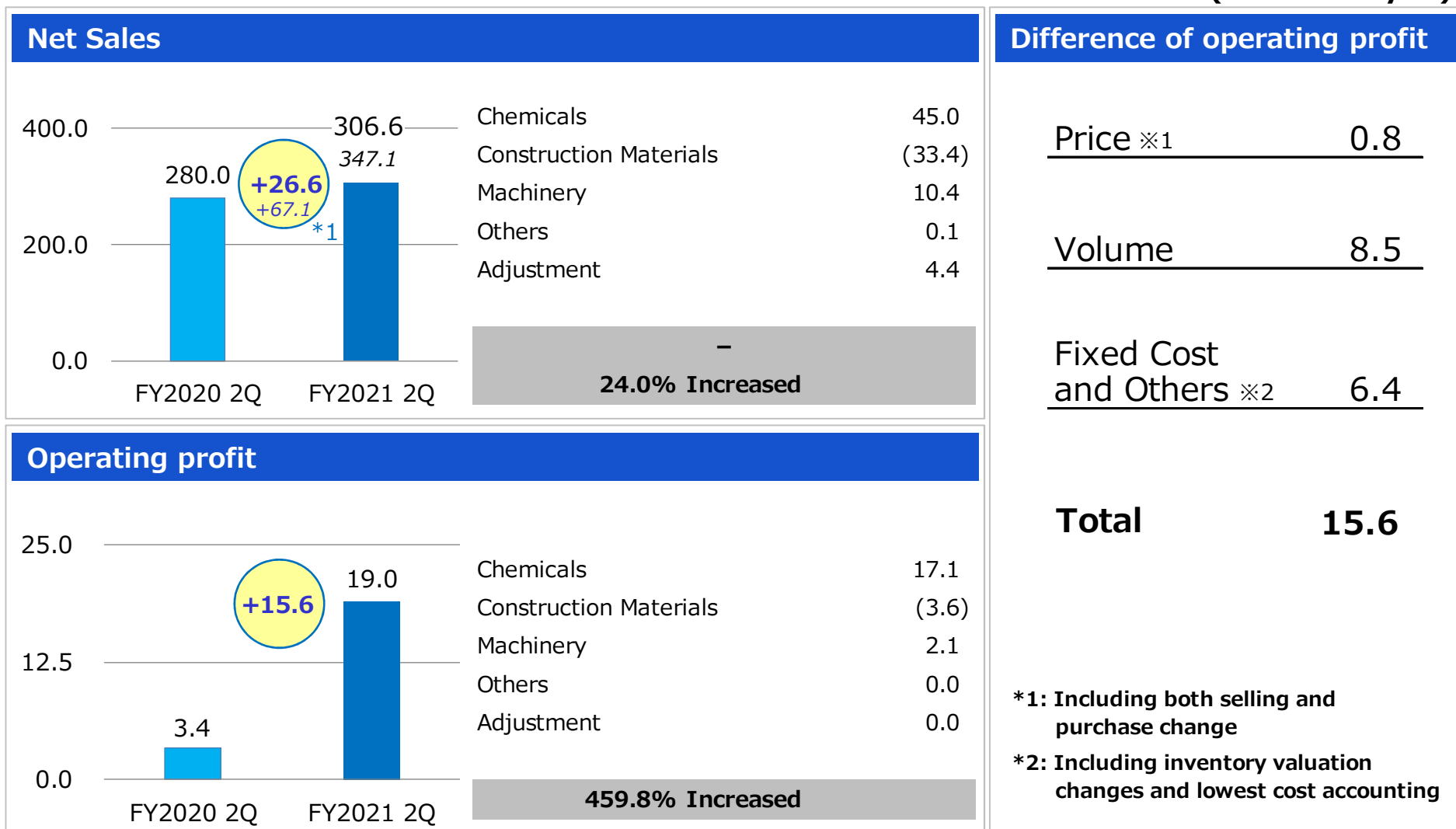
*1: Figures shown in italics are before applying Accounting Standard for Revenue Recognition.

1st half of the FY2021



Analysis – Total

(Billions of yen)



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

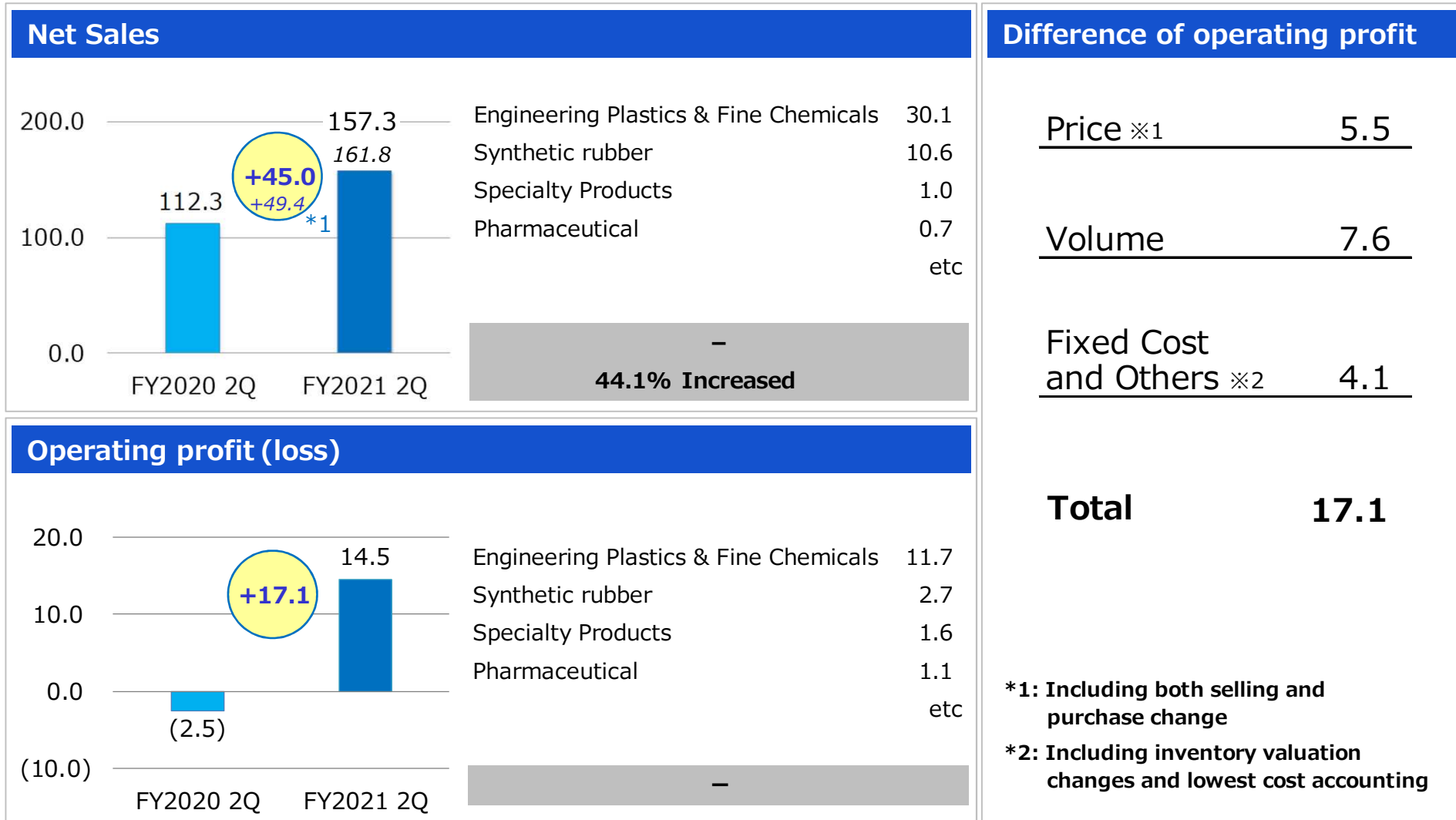
*1: Including both selling and purchase change
*2: Including inventory valuation changes and lowest cost accounting

1st half of the FY2021



Analysis – Chemicals

(Billions of yen)

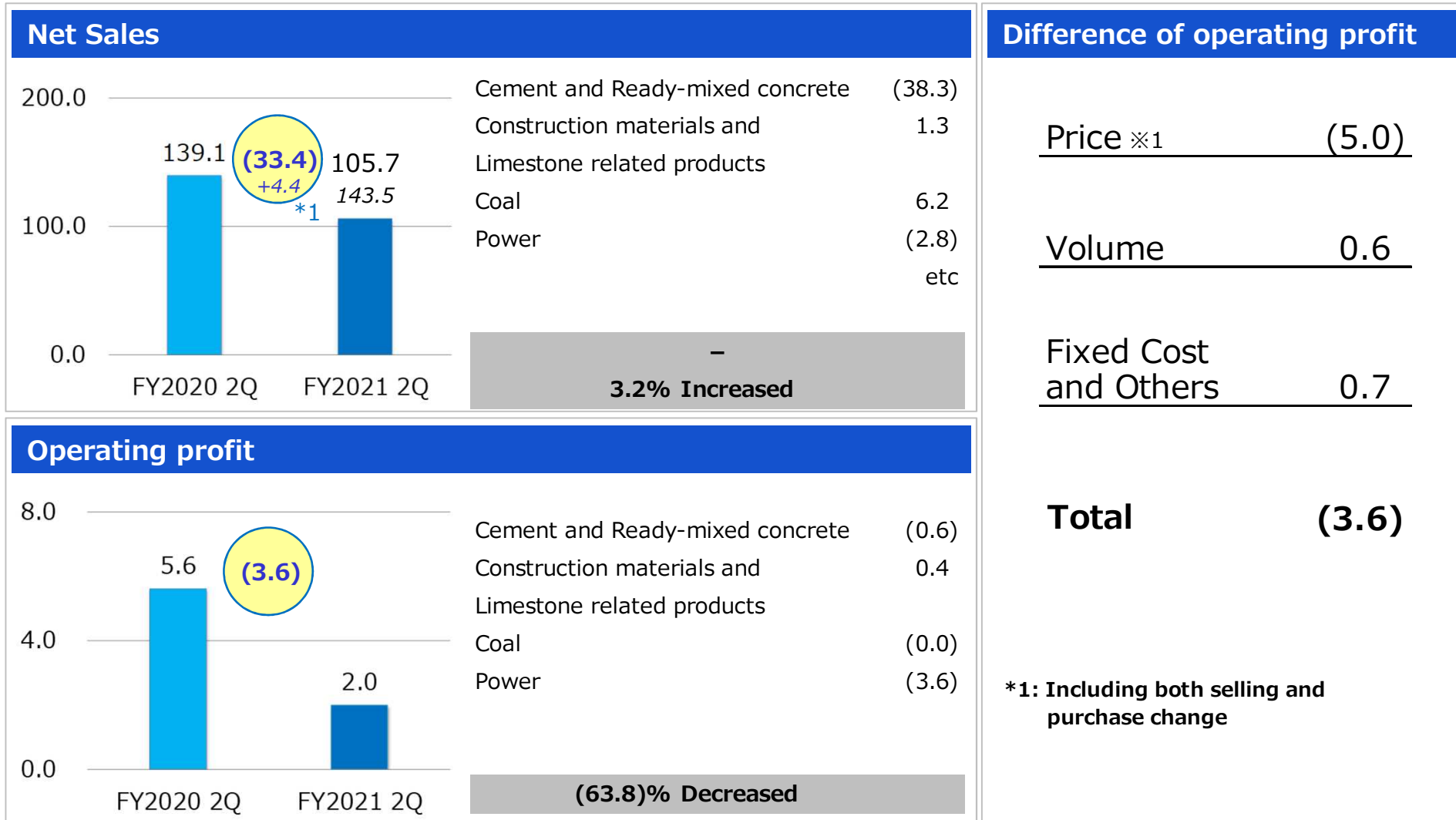


*1: Figures shown in italics are before applying Accounting Standard for Revenue Recognition.

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

Analysis – Construction Materials

(Billions of yen)



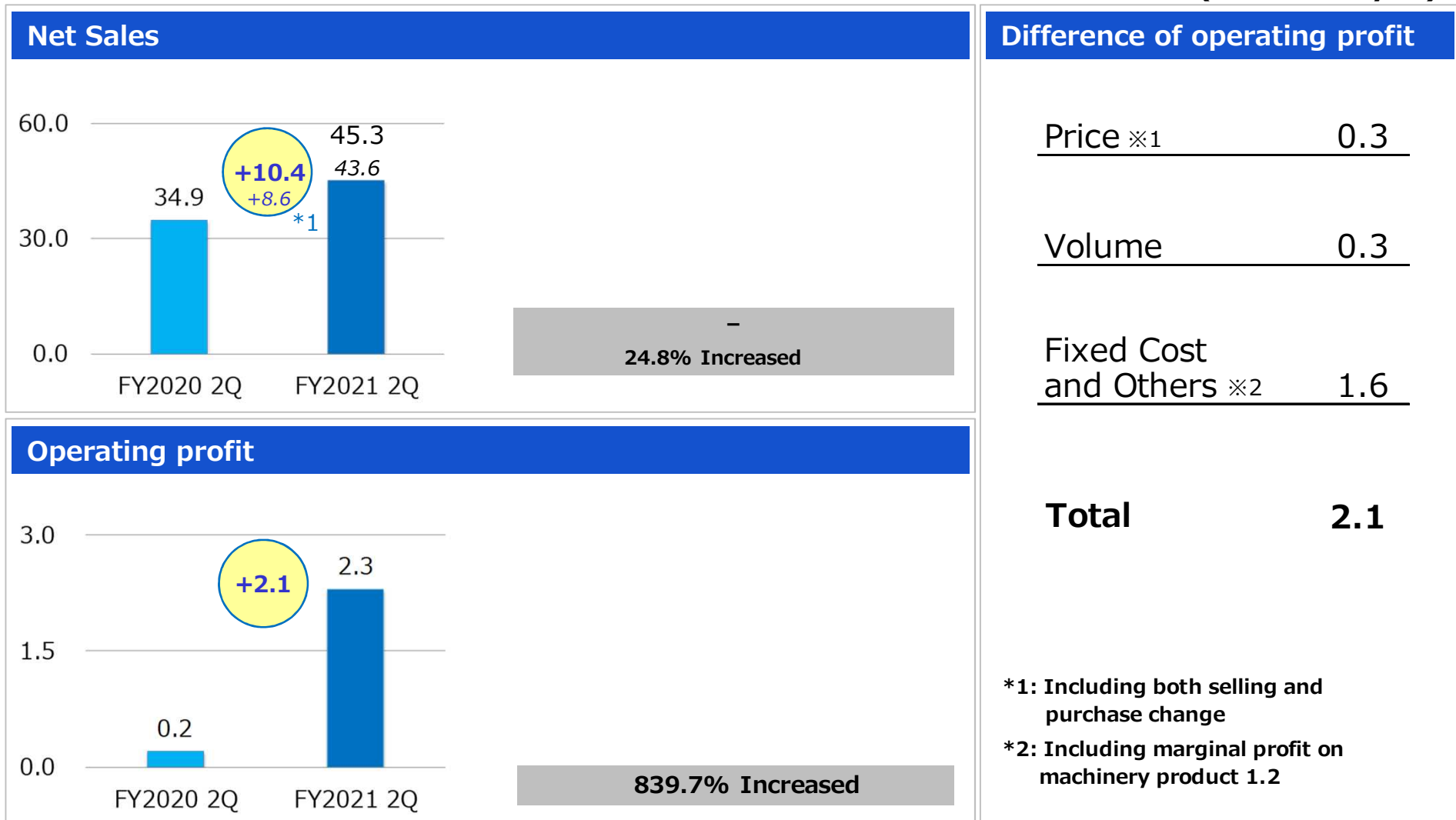
*1: Figures shown in italics are before applying Accounting Standard for Revenue Recognition.

1st half 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 2Q (A)	FY2021 2Q (B)	Difference (B) - (A)
Operating profit	3.4	19.0	15.6
Non-operating income (expenses)	(1.8)	(1.1)	0.6
Net interests expenses	0.2	0.2	0.0
Share of profit (loss) of entities accounted for using equity method	(0.2)	(0.6)	(0.4)
Foreign exchange gains (losses)	(0.4)	0.4	0.8
Others	(1.5)	(1.1)	0.3
Ordinary profit	1.5	17.8	16.3
Extraordinary income (losses)	0.2	(1.8)	(2.1)
Profit before income taxes	1.8	15.9	14.1
Income taxes and profit (loss) attributable to non-controlling interests	(1.5)	(6.4)	(4.9)
Profit attributable to owners of parent	0.2	9.5	9.2
Net income per share	2.69 yen	95.89 yen	93.20 yen

1st half of the FY2021



Consolidated Balance Sheet

(Billions of yen)

Item	End of FY2020 (A)	End of FY2021 2Q (B)	Difference (B) - (A)
Current assets	331.7	329.5	(2.2)
Fixed assets	437.8	430.2	(7.5)
Total assets	769.7	759.9	(9.7)
Interest-bearing debt	214.7	204.8	(9.9)
Other liabilities	174.3	181.7	7.4
Total liabilities	389.0	386.6	(2.4)
Shareholders' equity *1	359.0	352.8	(6.1)
Non-controlling interests and others	21.6	20.4	(1.1)
Total net assets	380.6	373.3	(7.3)
Total liabilities and net assets	769.7	759.9	(9.7)

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

1st half of the FY2021



Consolidated Statements of Cash Flows

(Billions of yen)

Item	FY2020 2Q	FY2021 2Q	
A.Cash flows from operating activities	29.7	12.6	Profit before income taxes 15.9 Depreciation and amortization 17.9 Decrease in working capital (17.4) etc.
B.Cash flows from investing activities	(23.8)	(19.9)	Acquisition of PP&E (18.9) etc.
Free cash flows (A+B)	5.8	(7.3)	
C.Cash flows from financing activities	0.4	(23.4)	Decrease in interest-bearing debt (10.4) Dividends paid (4.7) Buy back of shares (8.1) etc.
D.Net increase/decrease in cash and cash equivalents	6.8	(30.8)	
E.Cash and cash equivalents at end of the quarter	47.4	48.7	

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 HIGH CO.,LTD - Yamaishi Metal Co., Ltd. - UBE PROCESSING TEC CORPORATION - UBE Advanced Materials INC. - Advanced Electrolyte Technologies LLC
Number of equity method affiliates	26	26	0	+ C Integration Arrangement, Ltd. - Ube Nisshin Lime, Ltd.
Total	92	90	(2)	

Environmental Factors

Item			FY2020 (A)	FY2021 (B)	Difference (B) - (A)	
Exchange Rate		Yen/\$	106.1	109.9 [110.0]	3.8	
Material Price	Naphtha	CIF	\$/ t	399	647 [655]	248
		Domestic	Yen/KL	31,300	51,400 [52,100]	20,100
	Benzene (ACP)		\$/ t	500	915 [850]	415
	Australian Coal (CIF)		\$/ t	82.0	153.3 [163.0]	71.3
			Yen/t	8,700	16,842 [17,930]	8,142

[] : numbers for the 2nd half of the period only

Major P/L & B/S Items

(Billions of yen)

Item	FY2020 (A)	FY2021 (B)	Difference (B) - (A)	Percentage change
Net sales *1	613.8	635.0 715.0	21.1 101.1	- 16.5%
Operating profit	25.9	39.0	13.0	50.6%
Ordinary profit	23.2	33.5	10.2	43.8%
Profit attributable to owners of parent	22.9	19.5	(3.4)	(15.0)%

Item	End of FY2020 (A)	End of FY2021 (B)	Difference (B) - (A)
Total assets	769.7	790.0	20.2
Interest-bearing debt	214.7	230.0	15.2
Equity capital *2	359.0	356.0	(3.0)
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 applied 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 considered.

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

*3: Dividend: Interim/45yen, Fiscal year-end/45yen

Net Sales and Operating Profit by Segment

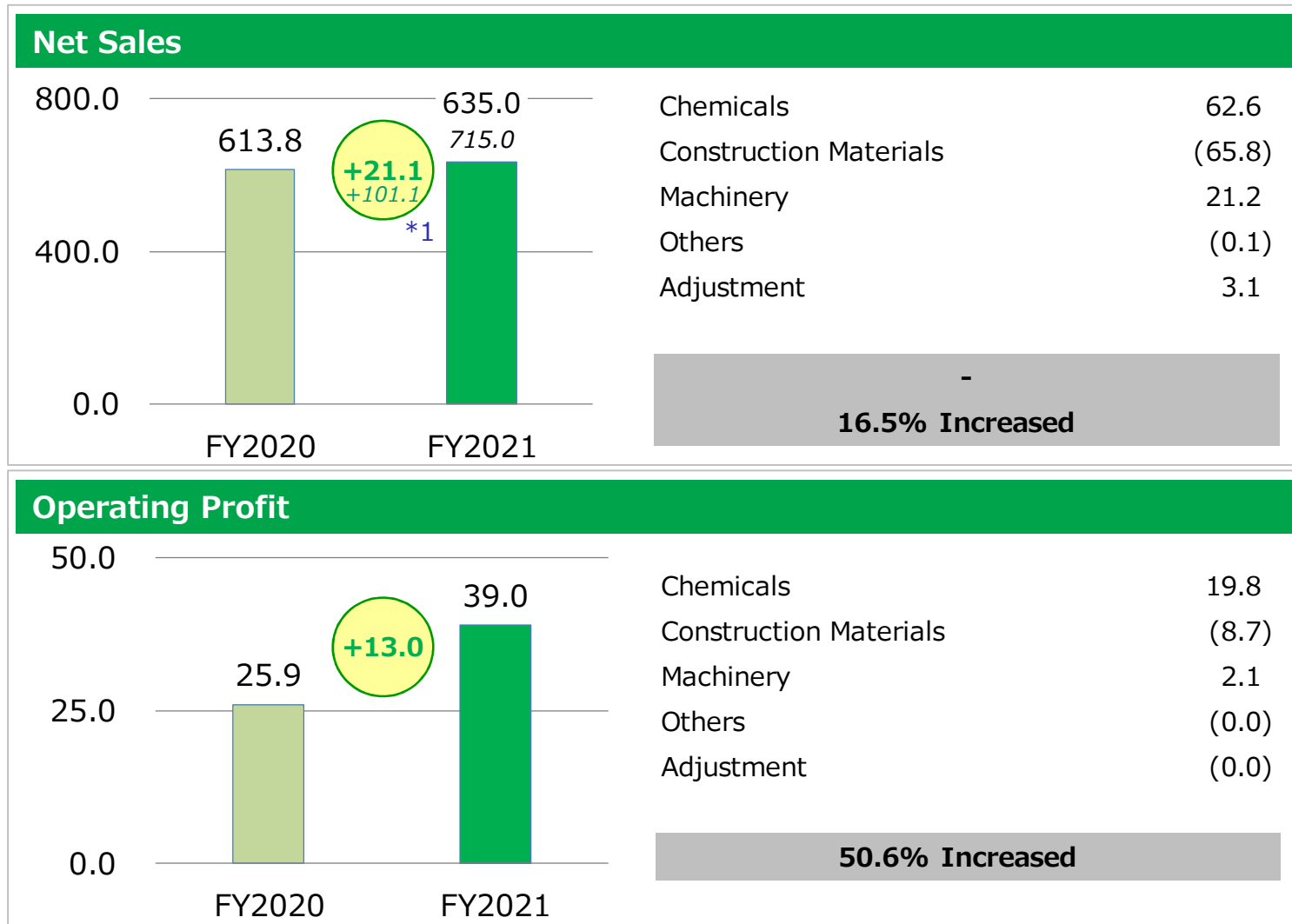
(Billions of yen)

	Segment	FY2020	FY2021	Difference	Percentage change
		(A)	(B)	(B) - (A)	
Net sales	Chemicals	259.3	322.0 <i>*1 331.0</i>	62.6 71.6	- 27.6%
	Construction Materials	282.8	217.0 289.0	(65.8) 6.1	- 2.2%
	Machinery	78.7	100.0 99.0	21.2 20.2	- 25.8%
	Others	3.1	3.0 3.0	(0.1) (0.1)	- (3.8)%
	Adjustment	(10.1)	(7.0) (7.0)	3.1 3.1	- -
	Total	613.8	635.0 <i>715.0</i>	21.1 <i>101.1</i>	- <i>16.5%</i>
Operating profit	Chemicals	8.1	28.0	19.8	242.1%
	Construction Materials	14.7	6.0	(8.7)	(59.3)%
	Machinery	2.8	5.0	2.1	76.6%
	Others	0.4	0.4	(0.0)	(10.5)%
	Adjustment	(0.3)	(0.4)	(0.0)	-
	Total	25.9	39.0	13.0	50.6%

*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

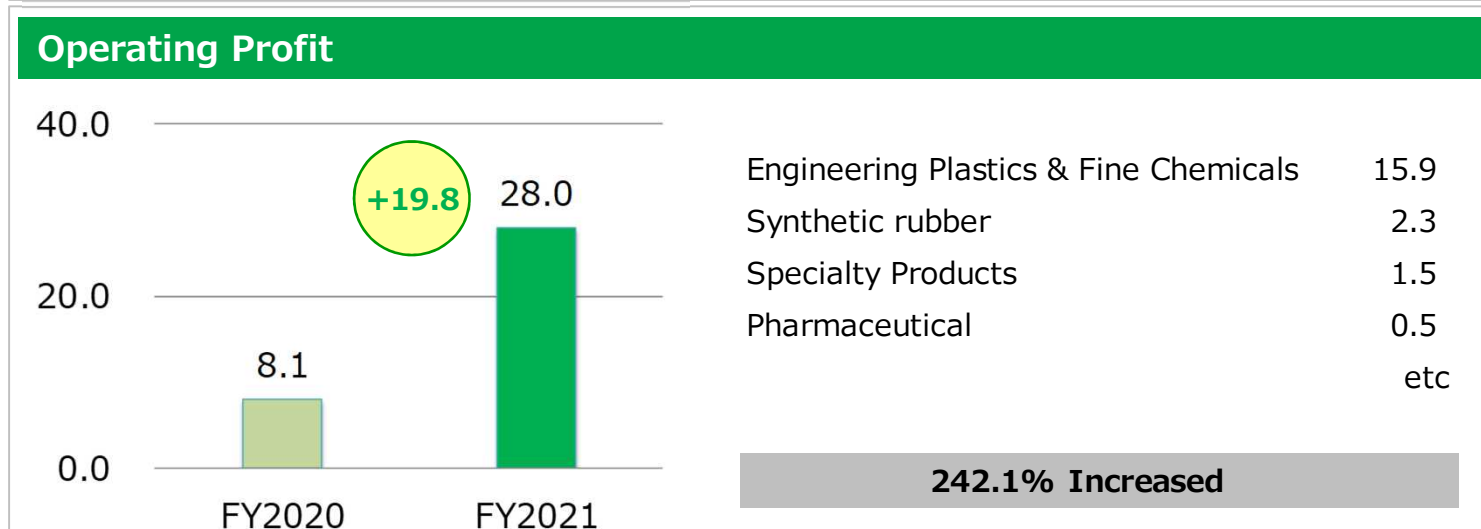
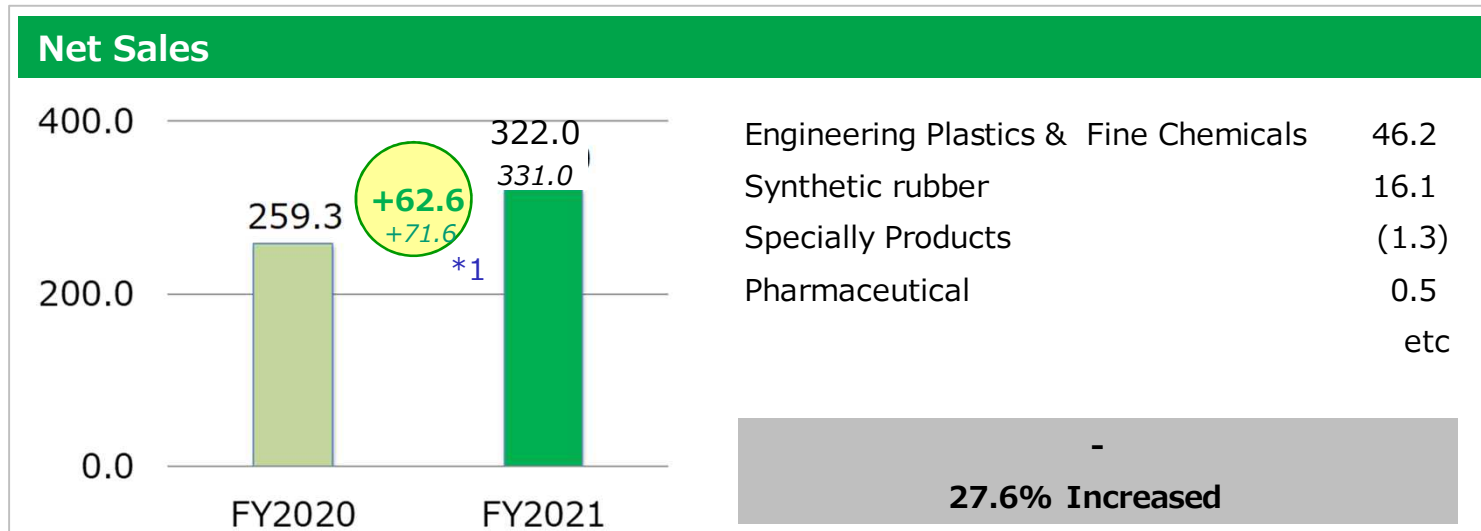
(Billions of yen)



*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

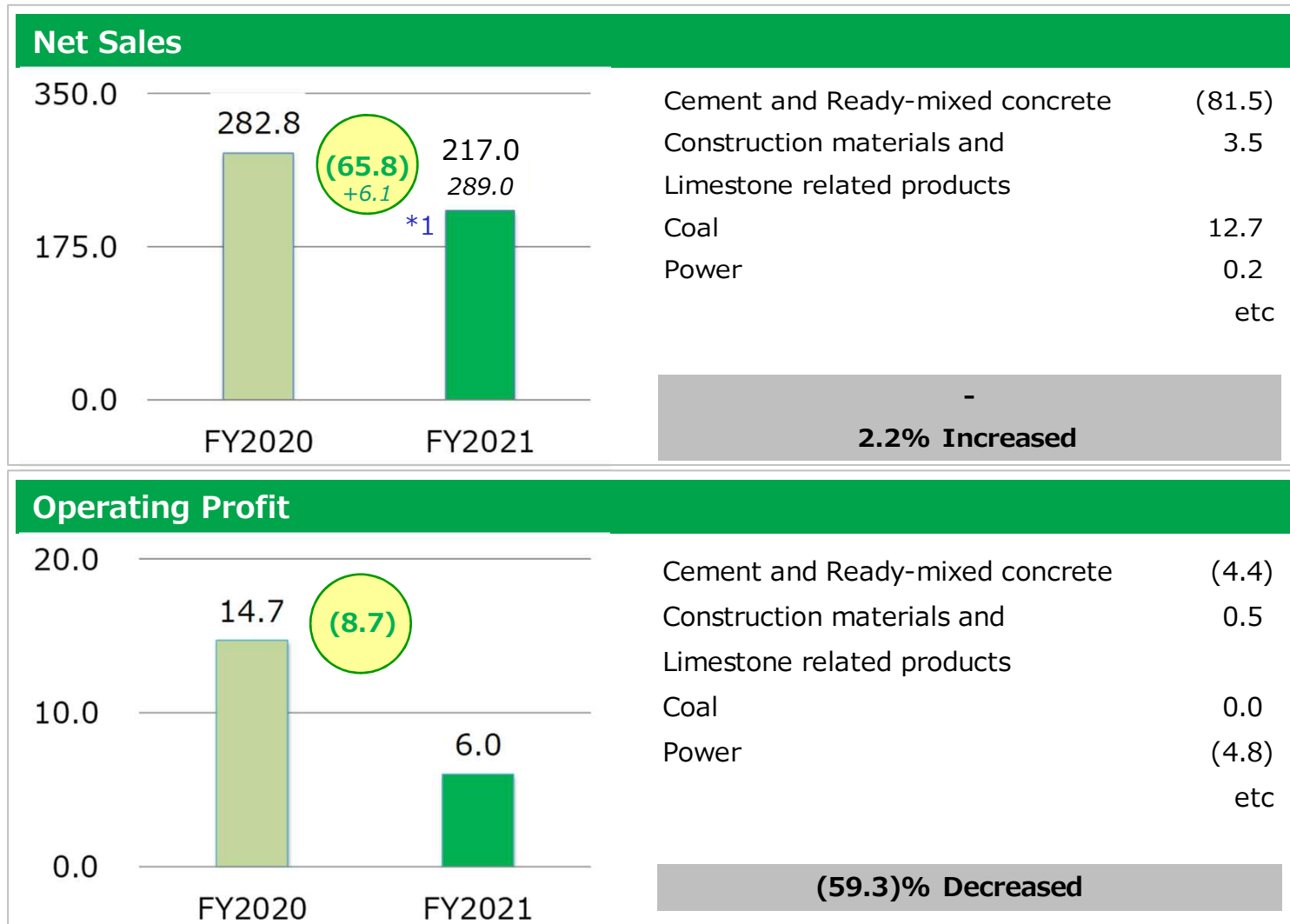
(Billions of yen)



***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

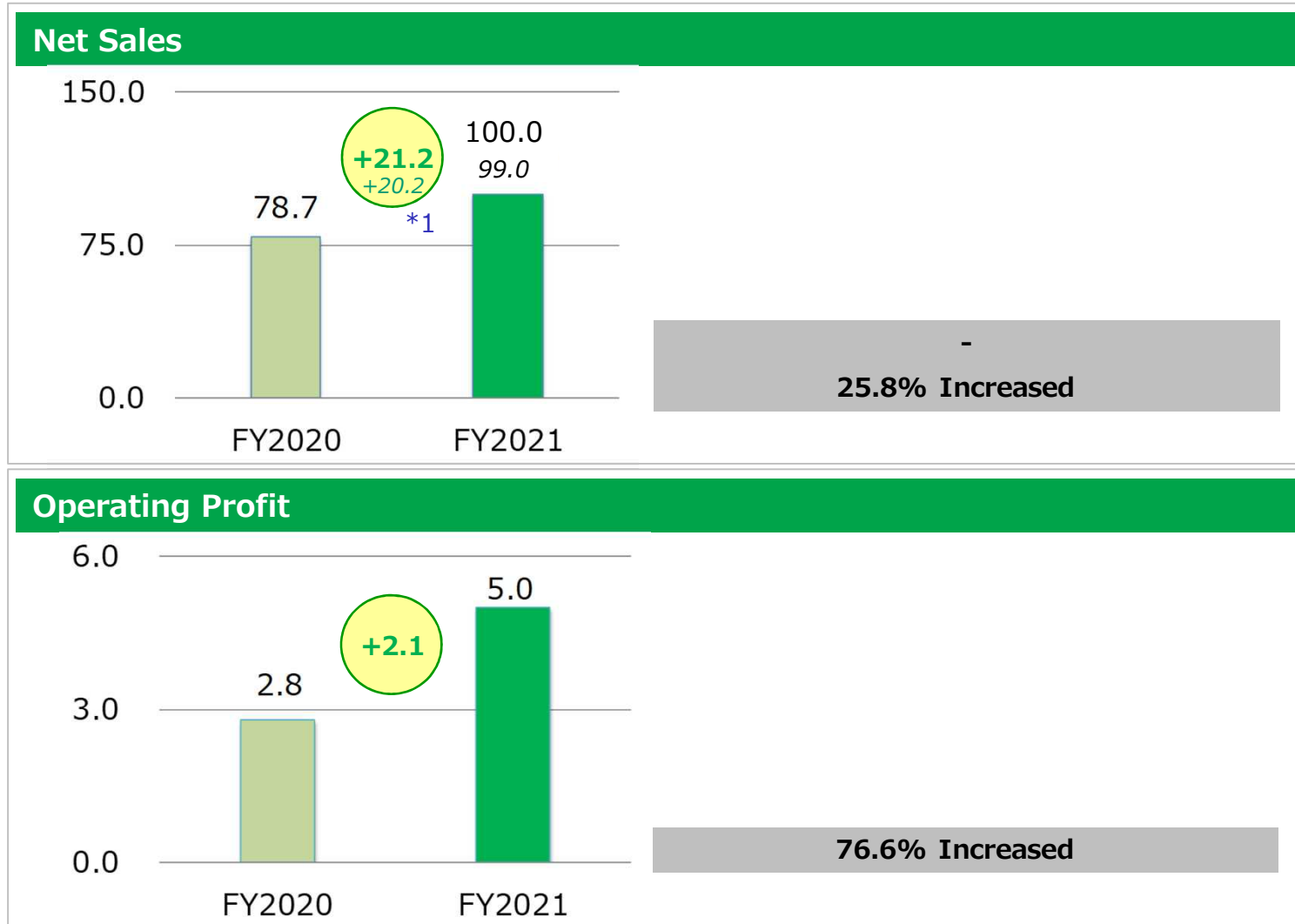
(Billions of yen)



*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)



*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.

Operating Profit – Profit attributable to owners of parent

(Billions of yen)

Item	FY2020 (A)	FY2021 (B)	Difference (B) - (A)
Operating profit	25.9	39.0	13.0
Non-operating income (expenses)	(2.6)	(5.5)	(2.8)
Ordinary profit	23.2	33.5	10.2
Extraordinary income (losses)	(0.8)	(3.5)	(2.6)
Profit before income taxes	22.4	30.0	7.5
Income taxes and profit (loss) attributable to non-controlling interests	0.5	(10.5)	(11.0)
Profit attributable to owners of parent	22.9	19.5	(3.4)
Net income per share	226.79 yen	197.66 yen	(29.13) yen

Reference



Difference of Net sales

(Billions of yen)

Segment	Previous forecasts 2021/5/12 (A)	Revised forecasts 2021/10/22 (B)	Difference (B) - (A)	Major factors
Chemicals	280.0	322.0	42.0	Engineering Plastics & Fine Chemicals 32.7 Synthetic rubber 13.8 Specialty Products (0.3) Pharmaceutical 0.3 etc.
Construction Materials	200.0	217.0	17.0	Cement and Ready-mixed concrete 6.0 Construction materials and Limestone related products (0.9) Coal 10.6 Power 1.4 etc.
Machinery	95.0	100.0	5.0	
Others	3.0	3.0	0.0	
Adjustment	(8.0)	(7.0)	1.0	
Total	570.0	635.0	65.0	

Difference of Operating profit

(Billions of yen)

Segment	Previous forecasts 2021/5/12 (A)	Revised forecasts 2021/10/22 (B)	Difference (B) - (A)	Major factors
Chemicals	20.5	28.0	7.5	Engineering Plastics & Fine Chemicals 4.7 Synthetic rubber 1.9 Specialty Products (0.3) Pharmaceutical 0.5 etc.
Construction Materials	11.5	6.0	(5.5)	Cement and Ready-mixed concrete (3.1) Construction materials and (0.1) Limestone related products Coal (0.1) Power (1.9) etc.
Machinery	5.0	5.0	0.0	
Others	0.5	0.4	(0.1)	
Adjustment	(0.5)	(0.4)	0.1	
Total	37.0	39.0	2.0	

Reference: 1st half of FY2021



Analysis of Operating Profit by Segment

(Billions of yen)

Segment	Operating profit (loss)					
	FY2020 2Q (A)	FY2021 2Q (B)	Difference (B) - (A)	Price *1	Volume	Fixed cost and others *2
Chemicals	(2.5)	14.5	17.1	5.5	7.6	4.1
Construction Materials	5.6	2.0	(3.6)	(5.0)	0.6	0.7
Machinery	0.2	2.3	2.1	0.3	0.3	*3 1.6
Others	0.1	0.1	0.0	0.0	0.0	0.0
Adjustment	(0.0)	(0.0)	0.0	-	-	0.0
Total	3.4	19.0	15.6	0.8	8.5	6.4

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

*3:Including marginal profit on machinery product 1.2

Reference: 1st half of FY2021



Progress of Major P/L Items

(Billions of yen)

Item	FY2020 Results (A)		FY2021 Forecasts (B)		Difference (B) - (A)	
		2Q Progress		2Q Progress		2Q
Net sales	613.8	280.0 45.6%	635.0	306.6 48.3%	21.1	26.6
Operating profit	25.9	3.4 13.2%	39.0	19.0 48.9%	13.0	15.6
Ordinary profit	23.2	1.5 6.5%	33.5	17.8 53.4%	10.2	16.3
Profit attributable to owners of parent	22.9	0.2 1.2%	19.5	9.5 49.0%	(3.4)	9.2

Reference: 1st half of FY2021



Net Sales

(Billions of yen)

Segment	FY2021					Full-year (forecast)	Progress
	1Q	2Q	3Q	4Q	Total		
Chemicals	76.7	80.6	–	–	157.3	322.0	48.9%
Construction Materials	48.7	57.0	–	–	105.7	217.0	48.7%
Machinery	21.4	23.9	–	–	45.3	100.0	45.4%
Others	0.8	0.7	–	–	1.5	3.0	52.9%
Adjustment	(1.4)	(1.9)	–	–	(3.4)	(7.0)	– %
Total	146.2	160.3	–	–	306.6	635.0	48.3%

Reference: 1st half of FY2021



Operating Profit

(Billions of yen)

Segment	FY2021					Full-year (forecast)	Progress
	1Q	2Q	3Q	4Q	Total		
Chemicals	7.6	6.9	-	-	14.5	28.0	52.0%
Construction Materials	0.6	1.3	-	-	2.0	6.0	34.2%
Machinery	0.7	1.6	-	-	2.3	5.0	47.4%
Others	0.0	0.1	-	-	0.1	0.4	46.3%
Adjustment	(0.2)	0.1	-	-	(0.0)	(0.4)	- %
Total	8.9	10.1	-	-	19.0	39.0	48.9%

Reference: 1st half of FY2021



2Q on 1Q – Net Sales

(Billions of yen)

Segment	FY2021 1Q (A)	FY2021 2Q (B)	Difference (B) - (A)	Major factors
Chemicals	76.7	80.6	3.8	Engineering Plastics & Fine Chemicals (1.1) Synthetic rubber 3.2 Specialty Products (0.6) Pharmaceutical 0.5 etc.
Construction Materials	48.7	57.0	8.3	Cement and Ready-mixed concrete 0.3 Construction materials and Limestone related products 0.7 Coal 4.4 Power 3.0 etc.
Machinery	21.4	23.9	2.4	
Others	0.8	0.7	(0.0)	
Adjustment	(1.4)	(1.9)	(0.5)	
Total	146.2	160.3	14.1	

Reference: 1st half of FY2021



2Q on 1Q – Operating Profit

(Billions of yen)

Segment	FY2021 1Q (A)	FY2021 2Q (B)	Difference (B) - (A)	Major factors
Chemicals	7.6	6.9	(0.6)	Engineering Plastics & Fine Chemicals (0.4) Synthetic rubber (0.6) Specialty Products (0.0) Pharmaceutical 0.5 etc.
Construction Materials	0.6	1.3	0.7	Cement and Ready-mixed concrete (0.5) Construction materials and Limestone related products 0.2 Coal (0.1) Power 1.0 etc.
Machinery	0.7	1.6	0.8	
Others	0.0	0.1	0.0	
Adjustment	(0.2)	0.1	0.3	
Total	8.9	10.1	1.2	

Reference: 1st half of FY2021



Consolidated Key Indicators

(Billions of yen)

Item	FY2020 2Q	FY2021 2Q	FY2021 full-year (forecast)	FY2020 full-year
Capital investment	17.8	14.0	44.0	37.1
Depreciation and amortization	18.0	17.9	36.0	36.3
Research and development expenses	5.6	5.7	12.5	11.4
Adjusted operating profit	3.8	19.0	38.0	28.0
Interest-bearing debt	199.3	204.8	230.0	214.7
Shareholders' equity	330.3	352.8	356.0	359.0
Total assets	706.0	759.9	790.0	769.7
D/E ratio (times)	0.60	0.58	0.65	0.60
Shareholders' equity ratio (%)	46.8	46.4	45.1	46.6
Return on sales - ROS (%)	1.2	6.2 5.4	6.1 5.5	4.2
Return on assets - ROA (%)	-	-	4.9	3.7
Return on equity - ROE (%)	-	-	5.5	6.6
Number of employees	11,094	11,028	11,000	10,897

*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.

Reference: 1st half of FY2021



Consolidated Major Subsidiaries

(Billions of yen)

Subsidiaries and affiliates	Business	Net Sales FY2021 2Q	Difference of operating profit from FY2020 2Q
UBE Corporation Europe, S.A. Unipersonal	Manufacture and sales of nylon, caprolactam, ammonium sulfate and fine chemical products	25.5	↑
UBE Chemicals (Asia) Public Company Limited	Manufacture and sales of nylon, caprolactam and ammonium sulfate	24.1	↑
THAI SYNTHETIC RUBBERS COMPANY LIMITED	Manufacture and sales of polybutadiene rubber	6.2	↑
UBE Film, Ltd.	Manufacture and sales of plastic film products	4.8	↓
UBE EXSYMO CO., LTD.	Manufacture and sales of polypropylene molded products, fibers, fiber-reinforced plastics and electronic and information materials	6.4	→
UBE Material Industries, Ltd.	Manufacture and sales of magnesia clinker, quicklime, slaked lime, etc.	20.5	↑
UBE Shipping & Logistics, Ltd.	Coastal shipping, port transport, containers, collection and transport of industrial waste, trading and engineering business	9.9	↑
UBE Construction Materials Sales Co., Ltd.	Sales of cement, ready-mixed concrete, building materials, etc.	1.0	→
SANSHIN TSUSHO Co., Ltd.	Sales of cement, ready-mixed concrete, building materials, etc.	0.8	→
Consolidated subsidiaries dealing ready-mixed concrete	Manufacture and sales of ready-mixed concrete	15.5	→
Ube Construction materials Co., Ltd.	Manufacture, sales and construction of various building materials	4.5	↓
UBE Machinery Corporation, Ltd.	Manufacture, sales, and service of molding machines, industrial machinery and bridge, etc.	23.6	↑
UBE Steel Co., Ltd	Manufacture and sales of cast iron and steel products and rolled steel billets	14.2	↑

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

Announcement of 3rd quarter Business Results

- **Announcement of 3rd quarter Business Results**
 - **February 2, 2022 15:00**

- **Telephone Conference for 3rd quarter Business Results**
 - **February 2, 2022 18:00 – 18:45**

(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.

Copyright 2021 Ube Industries, Ltd. All Rights Reserved