



MEMBERSHIP

September 26, 2022

Company name: UBE Corporation
Security code: 4208 (shares listed on Prime Section of Tokyo Stock Exchange and Fukuoka Stock Exchange)
Representative: Masato Izumihara
President and Representative Director
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UBE Corporation Announces It Will Record a Share of the Loss of Entities Accounted for Using Equity Method (Non-Operating Loss)

UBE Corporation announced today that Mitsubishi UBE Cement Corporation (an equity-method affiliate of UBE Corporation, “MUCC”), a fifty-fifty joint venture between UBE Corporation and Mitsubishi Materials Corporation, resolved to review its production system at the meeting of its Board of Directors held today. In conjunction with this, UBE expects to record a share of the loss of entities accounted for using the equity method, in the form of non-operating losses written down in the fiscal year ending March 31, 2023, the following fiscal year, and thereafter. The details are as follows.

1. Details of Loss of Entities Accounted for Using Equity Method (Non-Operating Loss)

As part of its business structure reform, MUCC has decided to discontinue operations at its Aomori Factory and reduce production (by shutting down the first kiln) at its Isa Cement Factory (“these measures”) by March 31, 2023. MUCC currently expects to record a total loss due to these measures (extraordinary loss) of around 20.0 billion yen in the fiscal year ending March 31, 2023, the fiscal year ending March 31, 2024, and thereafter. This projected amount is based on rough estimates, which are currently being scrutinized, so it may change in the future.

UBE expects to record an amount equivalent to its share of equity (50%) of the amount of the extraordinary loss at MUCC as a share of the loss of entities accounted for using equity method, in the form of non-operating losses.

MUCC expects the effects of these measures to be around 10.0 billion yen per year in the fiscal year ending March 31, 2024 and thereafter. MUCC is facing a challenging business environment due to soaring prices for energy, particularly coal, and other factors. It will address these factors by improving cost competitiveness and business performance through measures designed to increase profitability, including these measures.

Overview of MUCC (As of June 30, 2022)

(1) Name	Mitsubishi UBE Cement Corporation
(2) Location	Iino Building, 2-1-1, Uchisaiwaicho, Chiyoda-ku, Tokyo
(3) Representative	Makoto Koyama, President and Representative Director Kazuto Hirano, Vice President and Representative Director
(4) Business Description	Cement and ready-mixed concrete in Japan, the United States, and elsewhere overseas, limestone resources, coal, electric power, environmental recycling business, and other environmental energy-related businesses, building materials, and other related business
(5) Capital	50,250 million yen
(6) Shareholders	UBE Corporation 50% Mitsubishi Materials Corporation 50%

2. Future Outlook

The impact of recording the share of the loss of entities accounted for using the equity method on the earnings forecast for the fiscal year ending March 31, 2023 is currently being scrutinized. UBE will promptly disclose information should the need for disclosure arise in the future.

(Reference) Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2023 (Announced August 4, 2022) and Consolidated Earnings for the Fiscal Year Ended March 31, 2022

(Million yen)

	Consolidated net sales	Consolidated operating profit	Consolidated ordinary profit	Profit attributable to owners of parent
Fiscal Year Ending March 2023 (Forecast)	557,000	32,000	17,000	15,000
Fiscal Year Ended March 2022 (Results)	655,265	44,038	41,549	24,500