

UBE

**Financial Results
for the 3rd Quarter FY2021
Explanatory material**

February 2, 2022

3rd Quarter: April – December

UBE INDUSTRIES, LTD.

FY2021 3rd Quarter Consolidated Results



Scope of Consolidation

Item	End of FY2020 (A)	End of FY2021 3Q (B)	Difference (B) - (A)	Notes
Number of consolidated subsidiaries	66	67	1	+ UBE Elastomer Co. Ltd. + UBE HIGH CO., LTD - Yamaishi Metal Co., Ltd.
Number of equity method affiliates	26	27	1	+ Mitsubishi UBE Cement Corporation (formerly C Integration Arrangement, Ltd)
Total	92	94	2	

Environmental Factors

Item		FY2020 3Q (A)	FY2021 3Q (B)	Difference (B) - (A)		
Exchange Rate	Yen/\$	106.1	111.1	5.0		
Material Price	Naphtha	CIF	\$/ t	363	673	310
		Domestic	Yen/KL	28,800	53,900	25,100
	Benzene (ACP)	\$/ t	427	977	550	
	Australian Coal (CIF)	\$/ t	77.3	156.5	79.3	
		Yen/t	8,198	17,387	9,189	

Major P/L Items

(Billions of yen)

Item	FY2020 3Q (A)	FY2021 3Q (B)	Difference (B) - (A)	Percentage change
Net sales ^{*1}	438.9	476.6	37.6	—
		<i>538.6</i>	<i>99.6</i>	<i>22.7%</i>
Operating profit	13.8	32.8	19.0	137.5%
Ordinary profit	10.5	30.6	20.0	189.6%
Profit attributable to owners of parent	8.9	18.0	9.1	101.7%

*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 the Accounting Standard for Revenue Recognition.

Net Sales and Operating Profit by Segment

(Billions of yen)

	Segment	FY2020 3Q (A)	FY2021 3Q (B)	Difference (B) - (A)	Percentage change
Net sales	Chemicals	179.7	247.6 <i>*1 254.8</i>	67.9 <i>75.1</i>	– <i>41.8%</i>
	Construction Materials	212.3	161.4 <i>219.0</i>	(50.9) <i>6.6</i>	– <i>3.1%</i>
	Machinery	54.5	70.7 <i>67.9</i>	16.2 <i>13.4</i>	– <i>24.7%</i>
	Others	2.3	2.4 <i>2.4</i>	0.1 <i>0.1</i>	– <i>7.1%</i>
	Adjustment	(10.0)	(5.7) <i>(5.7)</i>	4.2 <i>4.2</i>	– <i>–</i>
	Total	438.9	476.6 <i>538.6</i>	37.6 <i>99.6</i>	– <i>22.7%</i>
Operating profit	Chemicals	1.5	26.0	24.4	–
	Construction Materials	11.0	3.5	(7.5)	(68.2)%
	Machinery	1.0	3.2	2.1	200.8%
	Others	0.3	0.3	0.0	19.4%
	Adjustment	(0.1)	(0.2)	(0.0)	–
	Total	13.8	32.8	19.0	137.5%

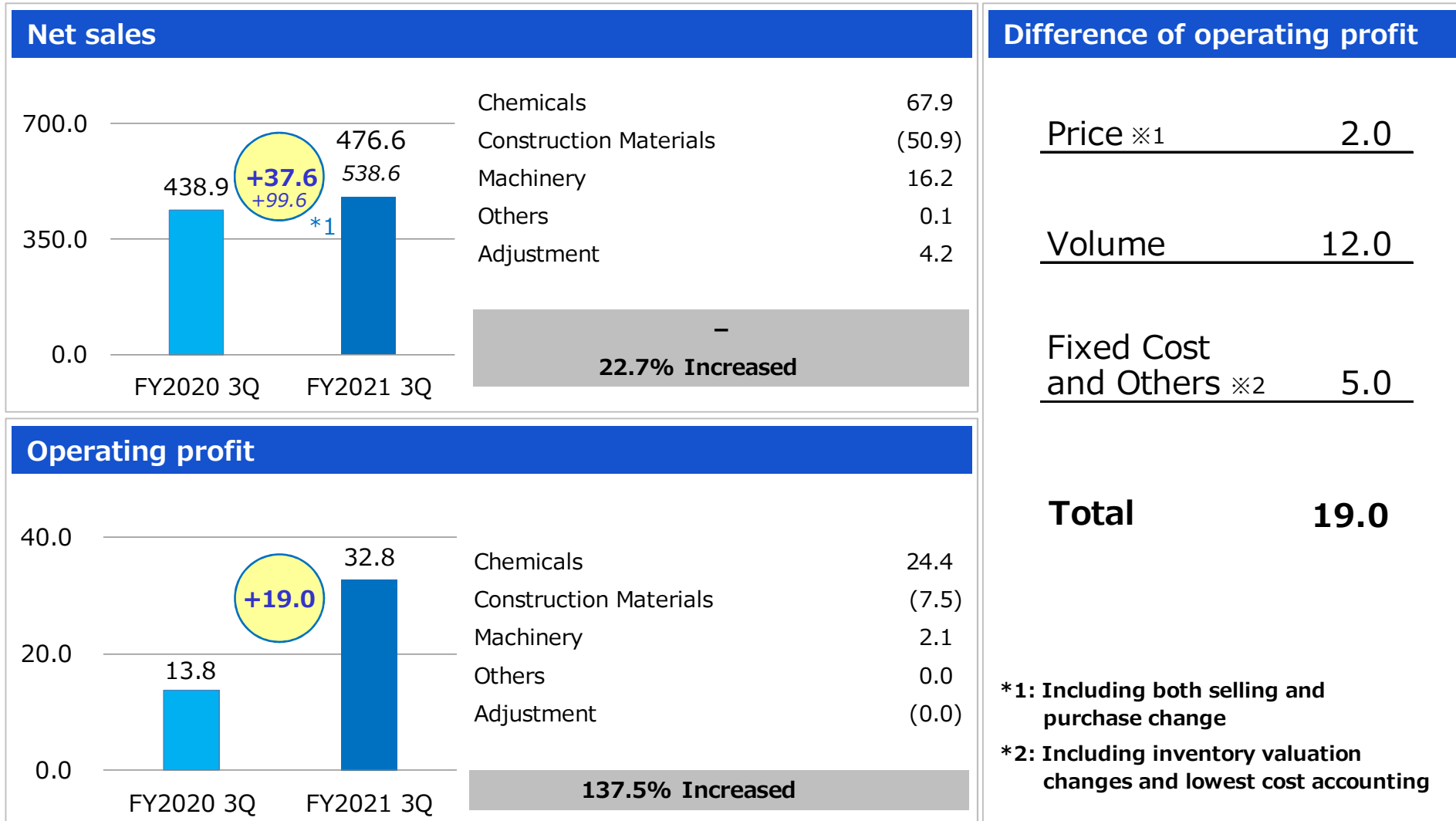
*1: Figures shown in italics are before applying the Accounting Standard for Revenue Recognition.

3rd Quarter of the FY2021



Analysis - Total

(Billions of yen)



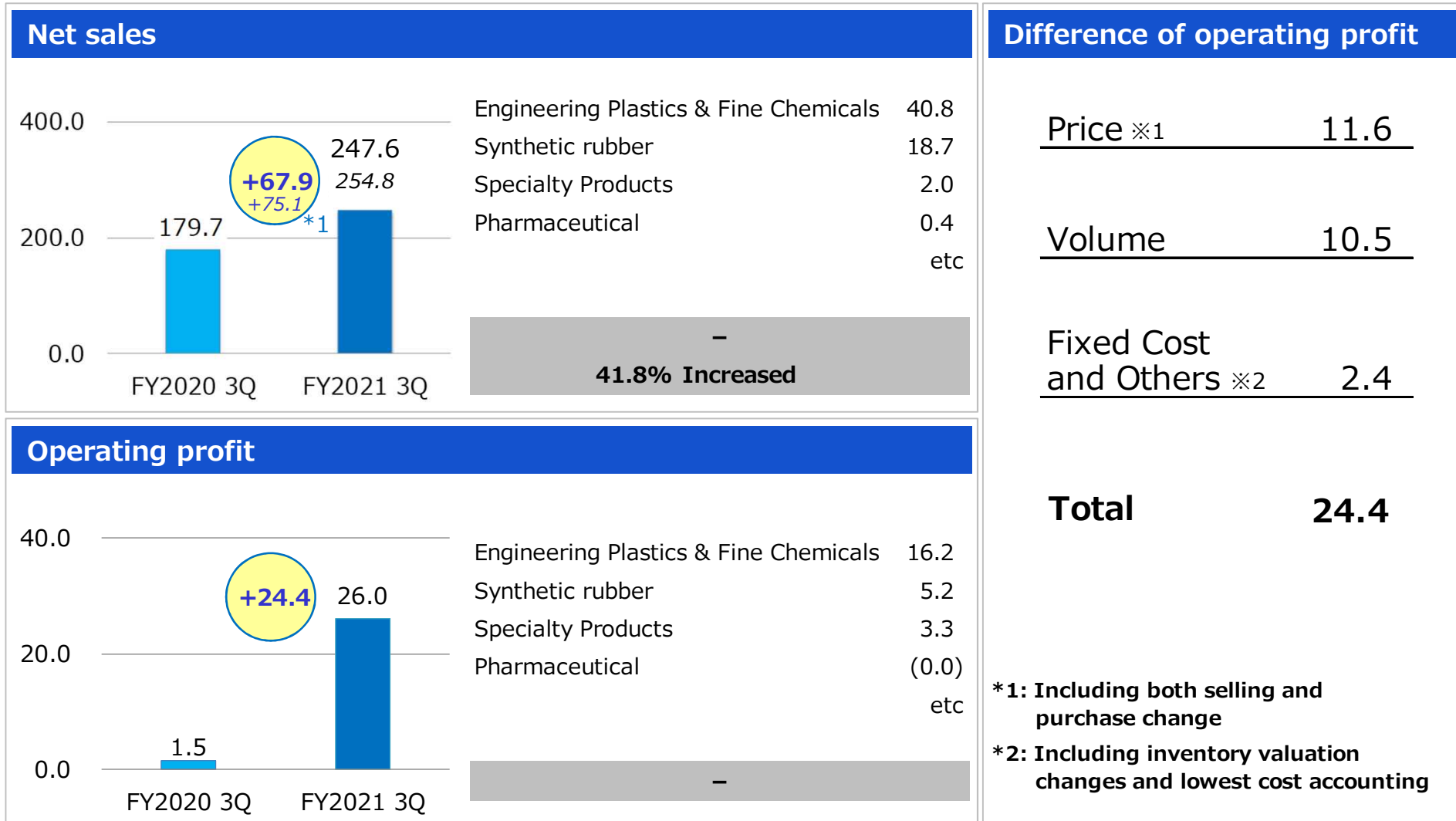
*1: Figures shown in italics are before applying the Accounting Standard for Revenue Recognition.

3rd Quarter of the FY2021



Analysis - Chemicals

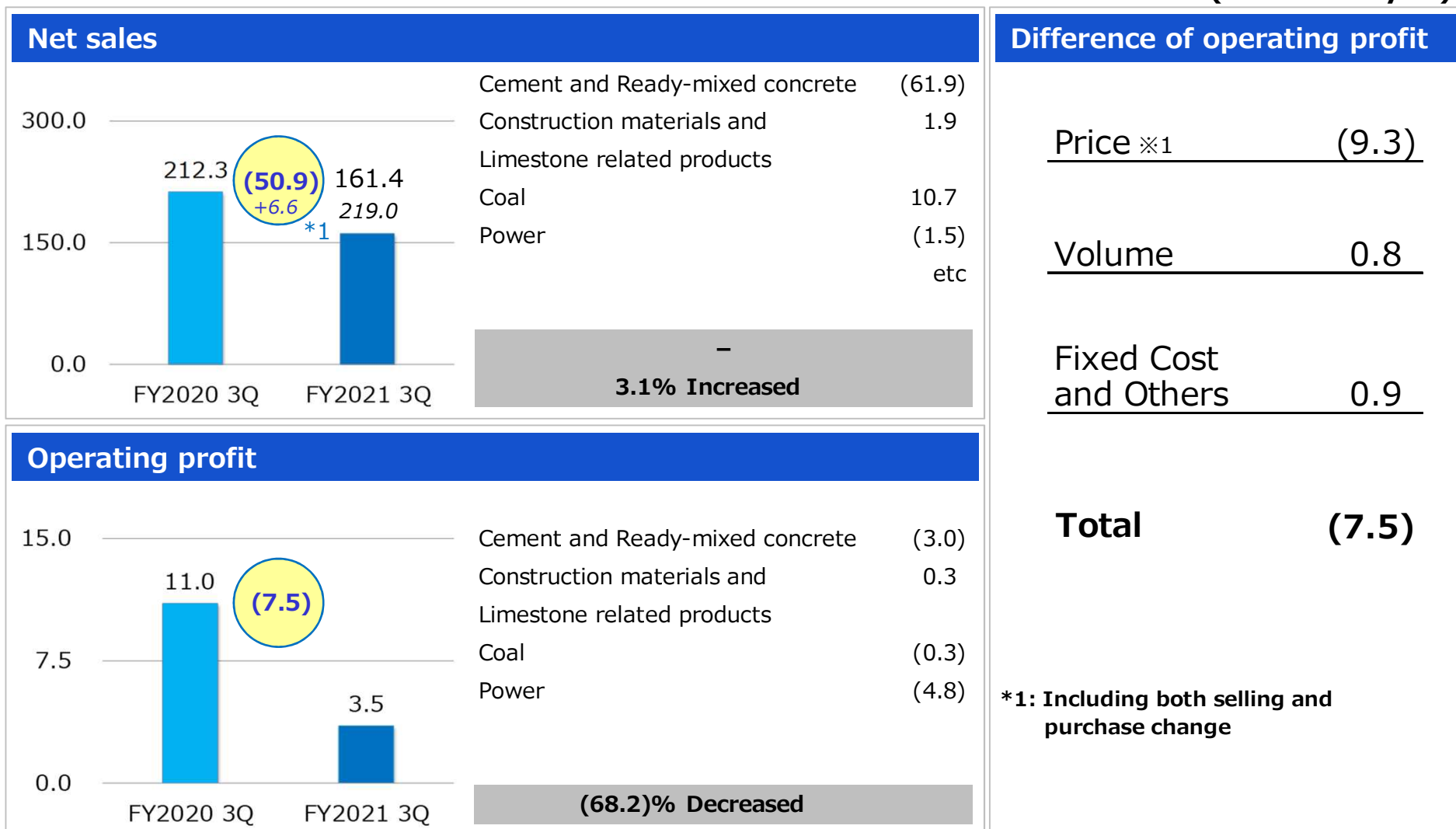
(Billions of yen)



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

Analysis – Construction Materials

(Billions of yen)



*1: Including both selling and purchase change

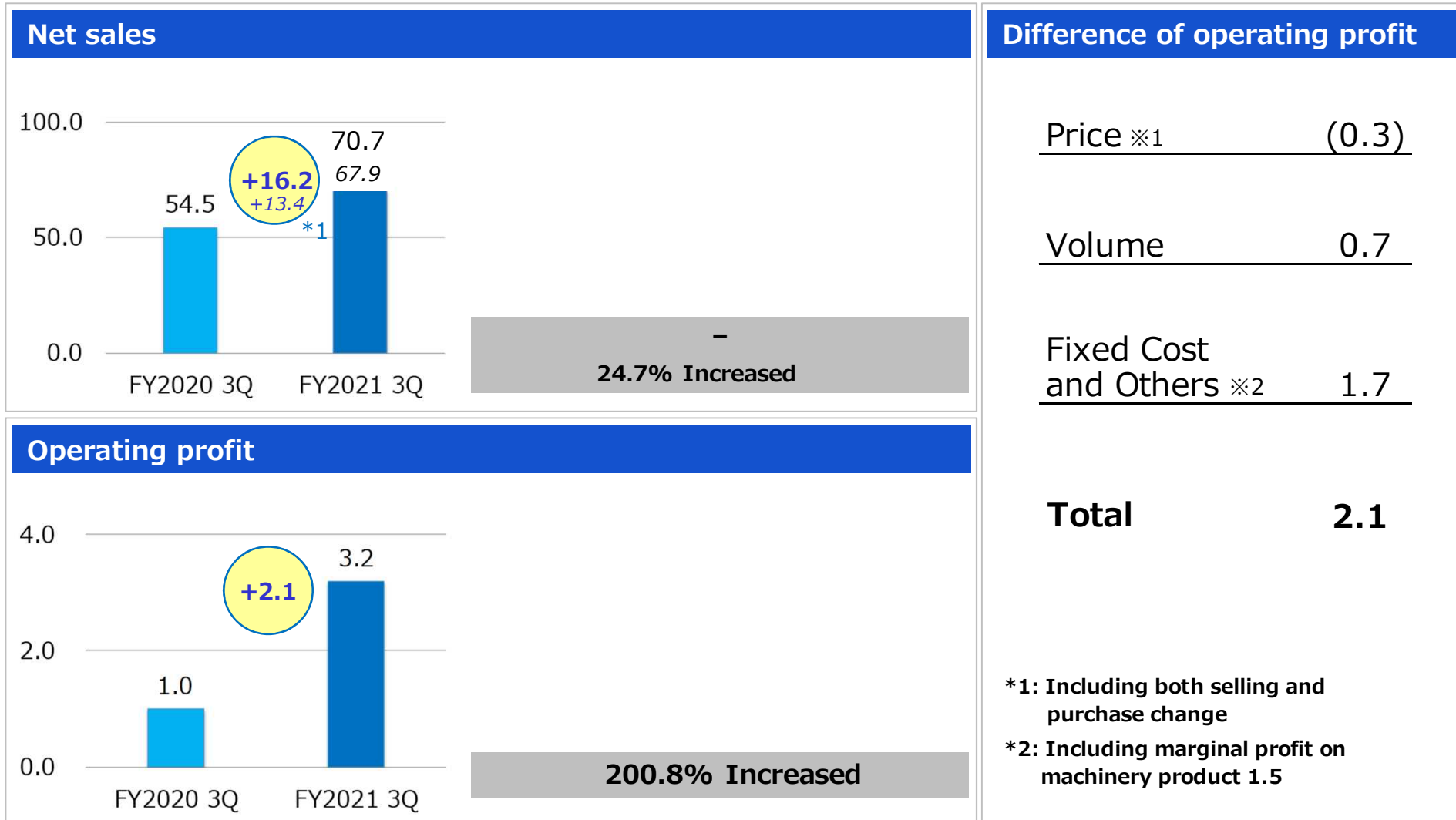
*1: Figures shown in italics are before applying the Accounting Standard for Revenue Recognition.

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Analysis - Machinery

(Billions of yen)



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

Operating Profit – Profit attributable to owners of parent

(Billions of yen)

Item	FY2020 3Q (A)	FY2021 3Q (B)	Difference (B) - (A)
Operating profit	13.8	32.8	19.0
Non-operating income (expenses)	(3.2)	(2.2)	1.0
Net interests expenses	0.1	0.2	0.0
Share of profit (loss) of entities accounted for using equity method	0.4	(0.8)	(1.2)
Foreign exchange gains (losses)	(0.8)	0.6	1.5
Others	(2.9)	(2.3)	0.6
Ordinary profit	10.5	30.6	20.0
Extraordinary income (losses)	1.5	(2.5)	(4.0)
Profit before income taxes	12.1	28.0	15.9
Income taxes and profit (loss) attributable to non-controlling interests	(3.1)	(9.9)	(6.8)
Profit attributable to owners of parent	8.9	18.0	9.1
Net income per share	88.73 yen	183.34 yen	94.61 yen

Consolidated Balance Sheet

(Billions of yen)

Item	End of FY2020 (A)	End of FY2021 3Q (B)	Difference (B) - (A)
Current assets	331.7	361.7	30.0
Fixed assets	437.8	432.1	(5.6)
Total assets	769.7	794.0	24.3
Interest-bearing debt	214.7	215.7	1.0
Other liabilities	174.3	200.5	26.2
Total liabilities	389.0	416.3	27.2
Shareholders' equity *1	359.0	356.6	(2.3)
Non-controlling interests and others	21.6	21.1	(0.4)
Total net assets	380.6	377.7	(2.8)
Total liabilities and net assets	769.7	794.0	24.3

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

Consolidated Statements of Cash Flows

(Billions of yen)

Item	FY2020 3Q	FY2021 3Q	
A.Cash flows from operating activities	38.6	16.8	Profit before income taxes 28.0 Depreciation and amortization 27.1 Increase / Decrease in working capital (31.9) Income taxes paid (5.0) etc.
B.Cash flows from investing activities	(32.5)	(27.6)	Acquisition of PP&E (25.0) etc.
Free cash flows (A+B)	6.0	(10.7)	
C.Cash flows from financing activities	20.2	(19.5)	Dividends paid (9.1) Buy back of shares (10.0) etc.
D.Net increase/decrease in cash and cash equivalents	27.2	(30.0)	
E.Cash and cash equivalents at end of the quarter	67.8	49.6	

Reference



Reference: 3rd Quarter of the FY2021



Analysis of Operating Profit by Segment

(Billions of yen)

Segment	Operating profit					
	FY2020 3Q (A)	FY2021 3Q (B)	Difference (B) - (A)	Price *1	Volume	Fixed cost and others *2
Chemicals	1.5	26.0	24.4	11.6	10.5	2.4
Construction Materials	11.0	3.5	(7.5)	(9.3)	0.8	0.9
Machinery	1.0	3.2	2.1	(0.3)	0.7	*3 1.7
Others	0.3	0.3	0.0	0.0	0.0	0.1
Adjustment	(0.1)	(0.2)	(0.0)	-	-	(0.1)
Total	13.8	32.8	19.0	2.0	12.0	5.0

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

*3:Including marginal profit on machinery product 1.5

Progress of Major P/L Items

(Billions of yen)

Item	FY2020 Results (A)		FY2021 Forecasts (B)		Difference (B) - (A)	
		3Q Progress		3Q Progress		3Q
Net sales	613.8	438.9 71.5%	635.0	476.6 75.1%	21.1	37.6
Operating profit	25.9	13.8 53.4%	39.0	32.8 84.2%	13.0	19.0
Ordinary profit	23.2	10.5 45.4%	33.5	30.6 91.4%	10.2	20.0
Profit attributable to owners of parent	22.9	8.9 39.1%	19.5	18.0 92.8%	(3.4)	9.1

Reference: 3rd Quarter of the FY2021



Net Sales

(Billions of yen)

Segment	FY2021					Full-year (forecast)	Progress
	1Q	2Q	3Q	4Q	Total		
Chemicals	76.7	80.6	90.2	–	247.6	322.0	76.9%
Construction Materials	48.7	57.0	55.6	–	161.4	217.0	74.4%
Machinery	21.4	23.9	25.4	–	70.7	100.0	70.8%
Others	0.8	0.7	0.8	–	2.4	3.0	82.5%
Adjustment	(1.4)	(1.9)	(2.3)	–	(5.7)	(7.0)	–%
Total	146.2	160.3	169.9	–	476.6	635.0	75.1%

Reference: 3rd Quarter of the FY2021



Operating Profit

(Billions of yen)

Segment	FY2021					Full-year (forecast)	Progress
	1Q	2Q	3Q	4Q	Total		
Chemicals	7.6	6.9	11.4	–	26.0	28.0	93.0%
Construction Materials	0.6	1.3	1.4	–	3.5	6.0	58.5%
Machinery	0.7	1.6	0.8	–	3.2	5.0	64.1%
Others	0.0	0.1	0.1	–	0.3	0.4	92.5%
Adjustment	(0.2)	0.1	(0.2)	–	(0.2)	(0.4)	– %
Total	8.9	10.1	13.7	–	32.8	39.0	84.2%

Reference: 3rd Quarter of the FY2021



3Q on 2Q – Net Sales

(Billions of yen)

Segment	FY2021 2Q (A)	FY2021 3Q (B)	Difference (B) - (A)	Major factors
Chemicals	80.6	90.2	9.6	Engineering Plastics & Fine Chemicals 5.6 Synthetic rubber 1.2 Specialty Products 1.3 Pharmaceutical 0.1 etc.
Construction Materials	57.0	55.6	(1.4)	Cement and Ready-mixed concrete (0.0) Construction materials and Limestone related products 0.9 Coal (2.8) Power 1.0 etc.
Machinery	23.9	25.4	1.4	
Others	0.7	0.8	0.1	
Adjustment	(1.9)	(2.3)	(0.3)	
Total	160.3	169.9	9.5	

Reference: 3rd Quarter of the FY2021



3Q on 2Q – Operating Profit

(Billions of yen)

Segment	FY2021 2Q (A)	FY2021 3Q (B)	Difference (B) - (A)	Major factors
Chemicals	6.9	11.4	4.5	Engineering Plastics & Fine Chemicals 2.1 Synthetic rubber 1.9 Specialty Products 1.3 Pharmaceutical (0.7) etc.
Construction Materials	1.3	1.4	0.0	Cement and Ready-mixed concrete (0.5) Construction materials and Limestone related products 0.3 Coal (0.3) Power 0.6 etc.
Machinery	1.6	0.8	(0.7)	
Others	0.1	0.1	0.0	
Adjustment	0.1	(0.2)	(0.3)	
Total	10.1	13.7	3.5	

Consolidated Key Indicators

(Billions of yen)

Item	FY2020 3Q	FY2021 3Q	FY2021 full-year (forecast)	FY2020 full-year
Capital investment	24.7	23.6	44.0	37.1
Depreciation and amortization	27.1	27.1	36.0	36.3
Research and development expenses	8.3	8.5	12.5	11.4
Adjusted operating profit	15.1	32.9	38.0	28.0
Interest-bearing debt	223.9	215.7	230.0	214.7
Shareholders' equity	337.0	356.6	356.0	359.0
Total assets	742.0	794.0	790.0	769.7
D/E ratio (times)	0.66	0.61	0.65	0.60
Shareholders' equity ratio (%)	45.4	44.9	45.1	46.6
Return on sales - ROS (%)	3.2	6.9 *1 6.0	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	11,046	10,942	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: 3rd Quarter of the FY2021



Consolidated Major Subsidiaries

(Billions of yen)

Subsidiaries and affiliates	Business	Net Sales FY2021 3Q	Difference of operating profit from FY2020 3Q
UBE Corporation Europe, S.A. Unipersonal	Manufacture and sales of nylon, caprolactam, ammonium sulfate and fine chemical products	39.2	↑
UBE Chemicals (Asia) Public Company Limited	Manufacture and sales of nylon, caprolactam and ammonium sulfate	38.3	↑
THAI SYNTHETIC RUBBERS COMPANY LIMITED	Manufacture and sales of polybutadiene rubber	11.1	↑
UBE Film, Ltd.	Manufacture and sales of plastic film products	7.4	↓
UBE EXSYMO CO., LTD.	Manufacture and sales of polypropylene molded products, fibers, fiber-reinforced plastics and electronic and information materials	9.5	→
UBE Material Industries, Ltd.	Manufacture and sales of magnesia clinker, quicklime, slaked lime, etc.	31.6	↑
UBE Shipping & Logistics, Ltd.	Coastal shipping, port transport, containers, collection and transport of industrial waste, trading and engineering business	14.6	↑
UBE Construction Materials Sales Co., Ltd.	Sales of cement, ready-mixed concrete, building materials, etc.	1.9	→
SANSHIN TSUSHO Co., Ltd.	Sales of cement, ready-mixed concrete, building materials, etc.	1.3	→
Consolidated subsidiaries dealing ready-mixed concrete	Manufacture and sales of ready-mixed concrete	24.0	↓
Ube Construction materials Co., Ltd.	Manufacture, sales and construction of various building materials	7.2	↓
UBE Machinery Corporation, Ltd.	Manufacture, sales, and service of molding machines, industrial machinery and bridge, etc.	36.8	↑
UBE Steel Co., Ltd	Manufacture and sales of cast iron and steel products and rolled steel billets	22.8	↑

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

Announcement of FY2021 Business Results and Related Presentations

- **Announcement of FY2021 Business Results**
 - **May 12, 15 : 00**

- **Telephone Conference for FY2021 Business Results**
 - **May 12, 18 : 00 – 19 : 00**

- **FY2022 Management Overview Briefing**
 - **May 19, 10 : 00 – 11 : 30**

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

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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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