

**FY2022 Consolidated Results**  
**FY2023 Consolidated Forecasts**

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**Explanatory material**

May 12, 2023

# **FY2022 Consolidated Result**

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# Scope of Consolidation

Item	End of FY2021 (A)	End of FY2022 (B)	Difference (B) - (A)	Notes
Number of consolidated subsidiaries	65	36	(29)	<ul style="list-style-type: none"> <li>+ API Corporation</li> <li>+ UBE Corporation America Inc.</li> <li>- Meiwa Plastic Industries, Ltd.</li> <li>- UBE Advanced Materials INC.</li> <li>- UBE HIGH CO., LTD</li> <li>- Ichinoseki Remicon Co., Ltd.</li> <li>- UBE SHIPPING &amp; LOGISTICS, LTD.</li> <li>- Ube Industries Consulting, Ltd.</li> <li>- Ube Sand Co., Ltd.</li> <li>- Oita Ube Co., Ltd.</li> <li>- Kansai Ube Co., Ltd.</li> <li>- Kanto Ube Holdings Co., Ltd.</li> <li>- Sanshin Tsusho Co., Ltd.</li> <li>- Shinko Transportation &amp; Warehouse Co., Ltd.</li> <li>- Chiba Ube Concrete Co., Ltd.</li> <li>- Hagimori Industries, Ltd.</li> <li>- Hiraizumi Co., Ltd.</li> <li>- Hokkaido Ube Co., Ltd.</li> </ul> <ul style="list-style-type: none"> <li>+ MAPIC Europe NV</li> <li>- Ube Reality &amp; Development Co., Ltd.</li> <li>- Advanced Electrolyte Technologies LLC</li> <li>- R-Koma, Ltd.</li> <li>- UBE Construction Materials Sales Co., Ltd.</li> <li>- UBE Construction Materials Co., Ltd.</li> <li>- Ube Industries Cement Service Co., Ltd.</li> <li>- Ube Material Industries, Ltd.</li> <li>- Ozawa Corporation</li> <li>- Kanto Ube Concrete Co., Ltd.</li> <li>- Kanto Ready-mixed Concrete Transportation Co., Ltd.</li> <li>- Sanyo Ube Co., Ltd.</li> <li>- Daikyo Kigyo Co., Ltd.</li> <li>- Nishiharima Ube Co., Ltd.</li> <li>- Hagimori Logistics, Ltd.</li> <li>- Fuji Ube Concrete Co., Ltd.</li> <li>- Hokkaido Ube Transportation Co., Ltd.</li> </ul>
Number of equity method affiliates	26	15	(11)	<ul style="list-style-type: none"> <li>- Ube-Mitsubishi Cement Corporation</li> <li>- Kano Ube Concrete Co., Ltd.</li> <li>- KUSHIRO UBE Co., Ltd.</li> <li>- Bekkai Ube Concrete Co., Ltd.</li> <li>- Yamayo Trading Co., Ltd.</li> <li>- Chiba Riverment and Cement Corporation</li> </ul> <ul style="list-style-type: none"> <li>- Kitakyushu Ube Concrete Co., Ltd.</li> <li>- Chushikoku Ube Concrete Co., Ltd.</li> <li>- Hokuriku Ube Concrete Co., Ltd.</li> <li>- UBE Singapore Pte., Ltd.</li> <li>- Yamaguchi Eco-tech Corporation</li> </ul>
<b>Total</b>	<b>91</b>	<b>51</b>	<b>(40)</b>	

# Environmental Factors

Item		FY2021 (A)	FY2022 (B)	Difference (B) - (A)		
Exchange Rate	Yen/\$	112.4	135.5	23.1		
Material Price	Naphtha	CIF	\$/ t	697	797	100
		Domestic	Yen/KL	56,200	76,500	20,300
	Benzene (ACP)	\$/ t	990	1,038	48	
	Australian Coal (CIF)	\$/ t	170.3	393.8	223.5	
		Yen/t	19,133	53,337	34,204	

## Major P/L Items

(Billions of yen)

Item	FY2021 (A)	FY2022 (B)	Difference (B) - (A)	Percentage change
Net sales	655.3	494.7	(160.5)	(24.5)%
Operating profit	44.0	16.3	(27.7)	(63.0)%
Ordinary profit (loss)	41.5	(8.7)	(50.2)	—
Profit (loss) attributable to owners of parent	24.5	(7.0)	(31.5)	—

# Net Sales and Operating Profit by Segment

(Billions of yen)

	Segment *	FY2021 (A)	FY2022 (B)	Difference (B) - (A)	Percentage change
Net sales	Specialty Products	60.8	62.2	1.4	2.3%
	Polymers & Chemicals	260.0	293.4	33.3	12.8%
	Machinery	97.0	96.9	(0.1)	(0.1)%
	Others	54.2	73.1	18.9	34.8%
	Adjustment	183.2	(30.8)	(214.0)	—
	<b>Total</b>	<b>655.3</b>	<b>494.7</b>	<b>(160.5)</b>	<b>(24.5)%</b>
Operating profit	Specialty Products	11.6	10.5	(1.2)	(10.0)%
	Polymers & Chemicals	23.5	2.4	(21.1)	(89.7)%
	Machinery	5.1	5.2	0.1	1.7%
	Others	3.5	2.6	(0.9)	(25.5)%
	Adjustment	0.2	(4.5)	(4.7)	—
	<b>Total</b>	<b>44.0</b>	<b>16.3</b>	<b>(27.7)</b>	<b>(63.0)%</b>

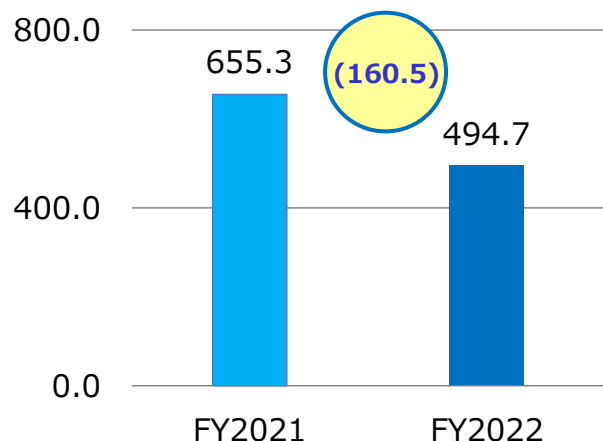
\*: In accordance with the integration of the cement-related business into an equity-method affiliate from FY2022, the Company has been reclassified from "Chemicals", "Construction Materials", "Machinery" and "Others" into the four segments of "Specialty Products", "Polymers & Chemicals", "Machinery," and "Others". Pharmaceutical is included in "Others".

Therefore, the results for the FY2021 have also been reclassified into new segment categories for comparison, and "Construction Materials" is included in "Adjustment".

# Analysis – Total

(Billions of yen)

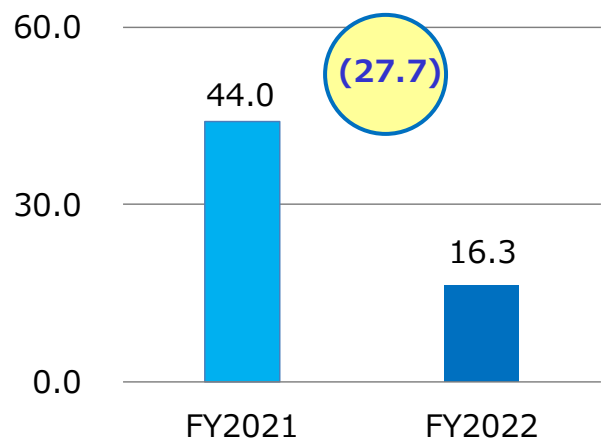
## Net Sales



Specialty Products	1.4
Polymers & Chemical	33.3
Machinery	(0.1)
Others	18.9
Adjustment	(214.0)

**(24.5)% Decreased**

## Operating profit



Specialty Products	(1.2)
Polymers & Chemical	(21.1)
Machinery	0.1
Others	(0.9)
Adjustment	(4.7)

**(63.0)% Decreased**

## Qualitative Information

### Net sales: Down

- Polymers & Chemicals: Higher sales prices due to higher raw material market prices
- Cement-related: Business split and transferred to an equity-method affiliate

### Operating profit: Down

- Polymers & Chemicals: Higher prices of raw material and fuel, lower sales volumes due to declining demand, and biennial inspection and repairs at ammonia plant
- Cement-related: Business split and transferred to an equity-method affiliate

## Difference of operating profit

Price <sup>\*1</sup> (6.1)

Volume (7.1)

Fixed Cost and Others <sup>\*2</sup> (14.6)

**Total (27.7)**

\*1: Including both selling and purchase change

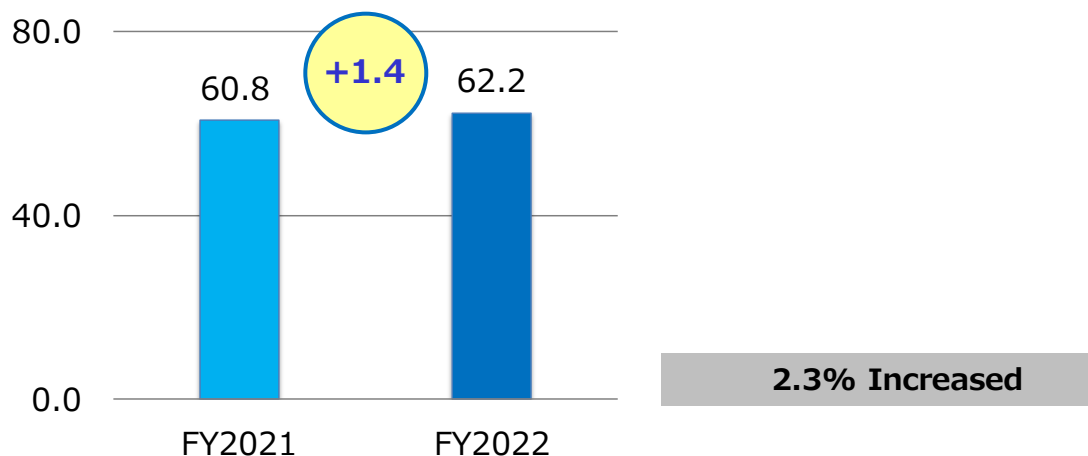
\*2: Including inventory valuation changes and lowest cost accounting

Including Impact of the split of the cement-related business

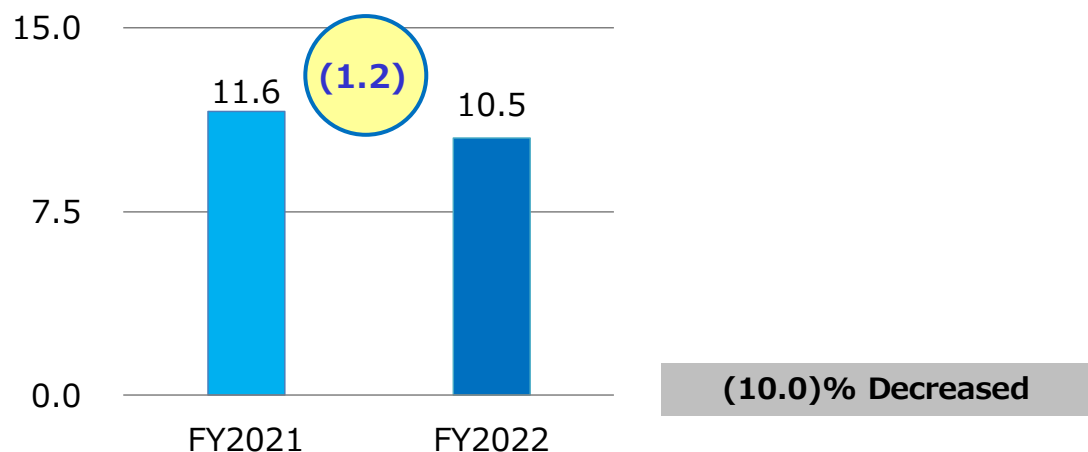
# Analysis – Specialty Products

(Billions of yen)

## Net Sales



## Operating profit



## Qualitative Information

### Net sales: Up

- Polyimides: Negative impact of inventory adjustments of COF for displays despite strong sales of varnish for organic EL panels
- Separation membranes: Strong demand mainly for biogas-related applications
- Ceramics: Strong demand for bearings and substrate applications
- Separators: Decrease in sales due to negative impact of automobile production cutbacks

### Operating profit: Down

- Polyimides: Inventory adjustments of COF for displays
- Separators: Negative impact of automobile production cutbacks

## Difference of operating profit

Price <sup>\*1</sup> (0.0)

Volume (0.8)

Fixed Cost and Others <sup>\*2</sup> (0.3)

**Total (1.2)**

\*1: Including both selling and purchase change

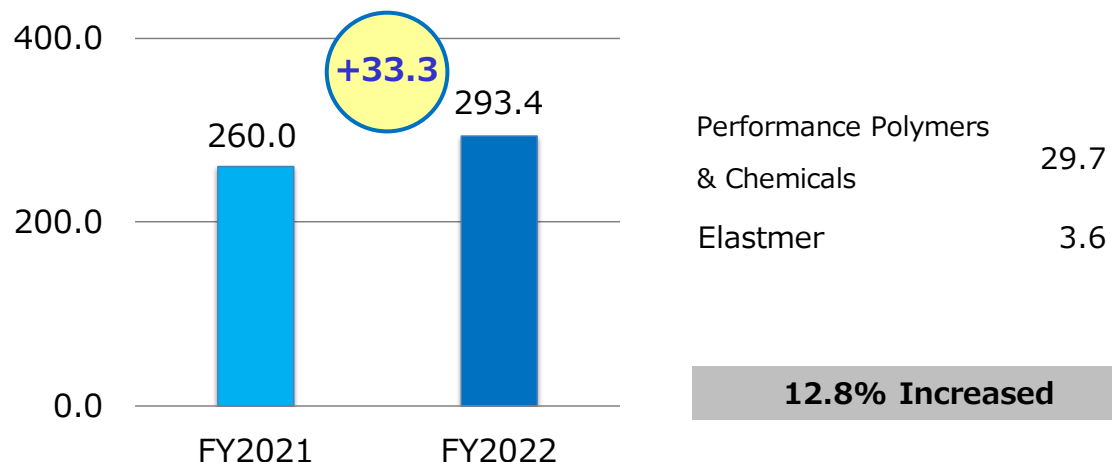
\*2: Including inventory valuation changes and lowest cost accounting



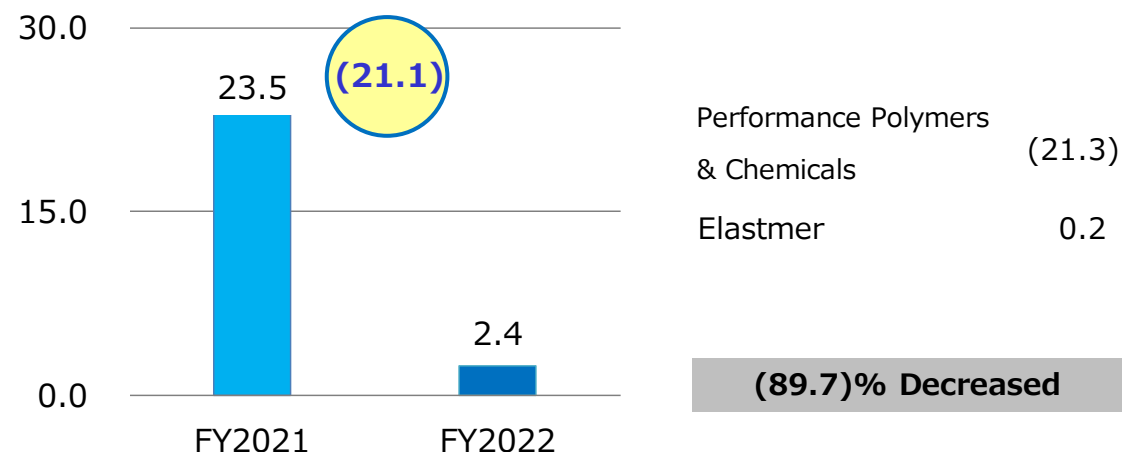
# Analysis – Polymers & Chemicals

(Billions of yen)

## Net Sales



## Operating profit



## Qualitative Information

### Net sales: Up

- Higher sales prices due to higher raw material prices, etc., despite a slowdown in demand for automobile and nylon fiber

### Operating profit: Down

- Higher prices of raw material and fuel, lower sales volumes due to declining demand, and biennial inspection and repairs at ammonia plant

## Difference of operating profit

Price <sup>*1</sup>	(6.0)
Volume	(7.2)
Fixed Cost and Others <sup>*2</sup>	(8.0)
<b>Total</b>	<b>(21.1)</b>

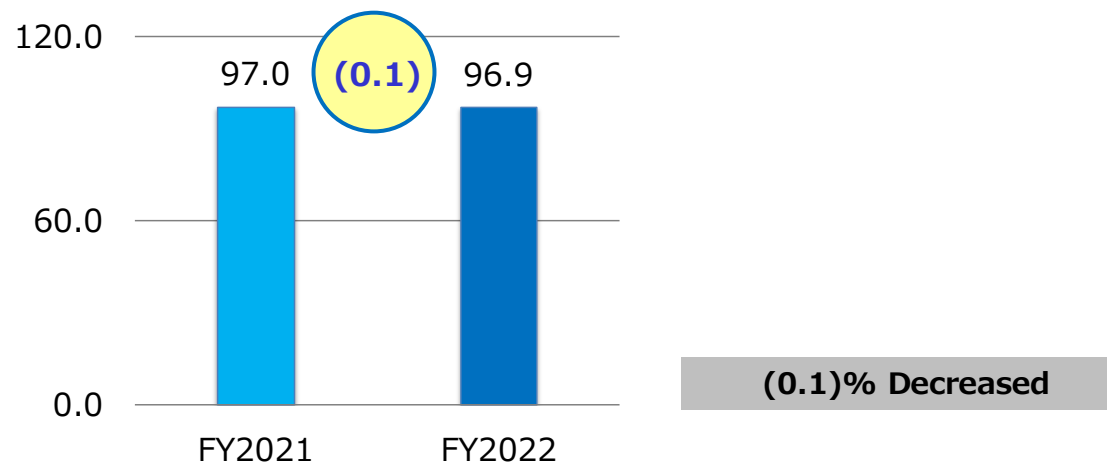
\*1: Including both selling and purchase change

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

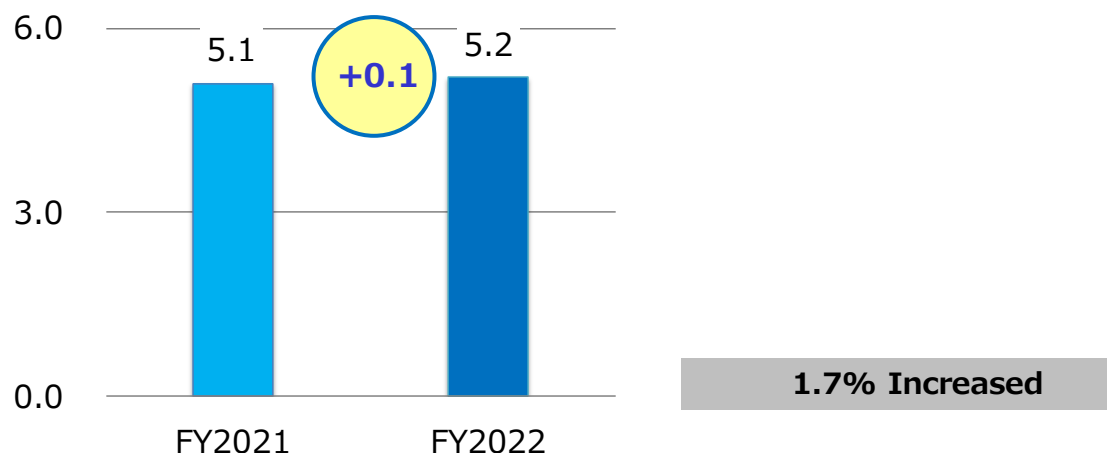
# Analysis – Machinery

(Billions of yen)

## Net Sales



## Operating profit



## Qualitative Information

### Net sales: Down

- Molding machine: Increased sales volume due to recovery of orders from automotive industry
- Industrial machines: Large projects such as bulk handling machines for electric power companies completed
- Steel products: Higher sales prices due to higher raw material prices, etc.

### Operating profit: Up

- Molding machine: Increased sales volume due to recovery of orders from automotive industry
- Steel products: Higher sales prices due to higher raw material prices, etc.

## Difference of operating profit

Price <sup>\*1</sup> 0.5

Volume (0.1)

Fixed Cost and Others <sup>\*2</sup> (0.2)

**Total 0.1**

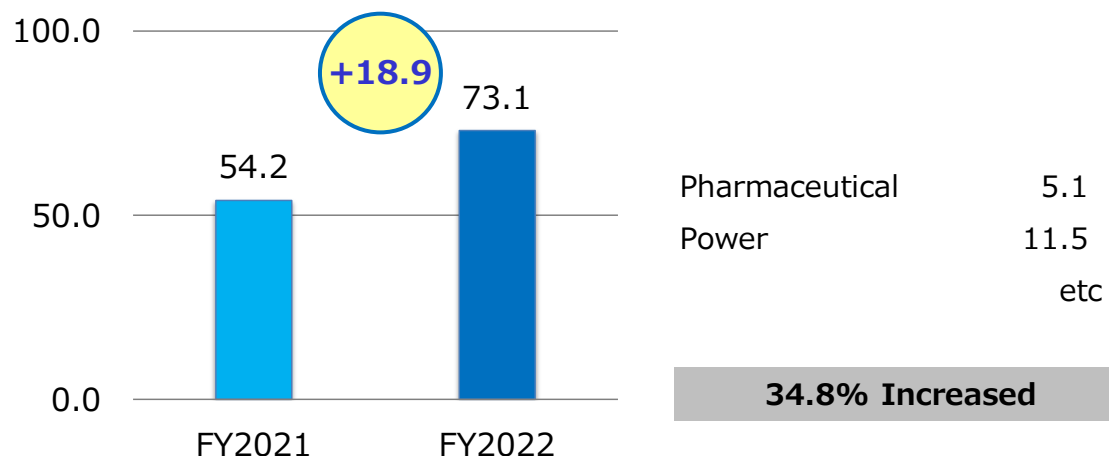
\*1: Including both selling and purchase change

\*2: Including marginal profit on machinery product 0.5

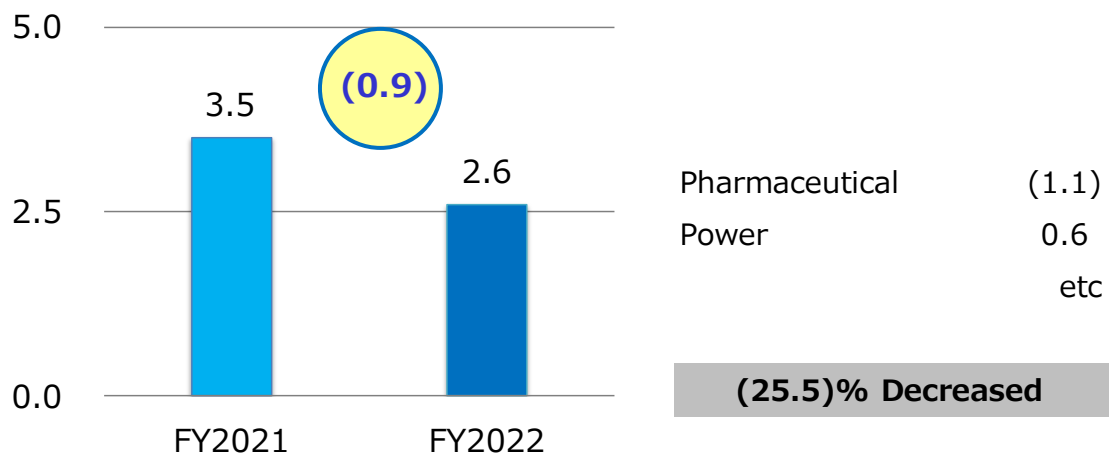
# Analysis – Others

(Billions of yen)

## Net Sales



## Operating profit



## Qualitative Information

### Net sales: Up

- Pharmaceutical: Consolidation of API Corporation and strong sales of both drugs developed by UBE and those manufactured under contract
- Power: Sales of electricity supply to cement-related businesses recorded and sales prices increased

### Operating profit: Down

- Pharmaceutical: Decrease in royalty revenues
- Power: Higher sales prices of electricity

## Difference of operating profit

Price <sup>*1</sup>	(0.5)
Volume	1.0
Fixed Cost and Others <sup>*2</sup>	(1.4)
<b>Total</b>	<b>(0.9)</b>

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

# Operating Profit – Profit attributable to owners of parent

(Billions of yen)

Item	FY2021 (A)	FY2022 (B)	Difference (B) - (A)
Operating profit	44.0	16.3	(27.7)
Non-operating income (expenses)	(2.5)	(25.0)	(22.5)
Net interests expenses	0.3	0.7	0.3
Share of profit (loss) of entities accounted for using equity method	(1.9)	(23.1)	(21.2)
Share of loss of entities accounted for using equity method related to Mitsubishi UBE Cement Corporation		(24.6)	
Foreign exchange gains	1.7	0.5	(1.1)
Others	(2.6)	(3.0)	(0.5)
Ordinary profit (loss)	41.5	(8.7)	(50.2)
Extraordinary income (losses)	(4.8)	6.1	10.8
Profit (loss) before income taxes	36.8	(2.6)	(39.4)
Income taxes and profit (loss) attributable to non-controlling interests	(12.3)	(4.4)	7.9
Profit (loss) attributable to owners of parent	24.5	(7.0)	(31.5)
Net income per share	249.31 yen	(72.25) yen	(321.56) yen

# Consolidated Balance Sheet

(Billions of yen)

Item	End of FY2021	End of FY2022	Difference
	(A)	(B)	(B) - (A)
Current assets	394.7	283.0	(111.7)
Fixed assets	443.1	448.5	5.3
<b>Total assets</b>	<b>838.0</b>	<b>731.6</b>	<b>(106.3)</b>
Interest-bearing debt	241.8	218.1	(23.7)
Other liabilities	202.1	131.8	(70.3)
<b>Total liabilities</b>	<b>443.9</b>	<b>350.0</b>	<b>(93.9)</b>
Shareholders' equity *1	369.1	361.6	(7.5)
Non-controlling interests and others	24.9	20.0	(4.9)
<b>Total net assets</b>	<b>394.0</b>	<b>381.7</b>	<b>(12.4)</b>
<b>Total liabilities and net assets</b>	<b>838.0</b>	<b>731.6</b>	<b>(106.3)</b>

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

# Consolidated Statements of Cash Flows

(Billions of yen)

Item	FY2021	FY2022	
A.Cash flows from operating activities	32.7	18.1	Loss before income taxes (2.6) Depreciation and amortization 25.4 Share of loss of entities accounted for using equity method 23.1 Gain on Change in Equity (8.3) Increase in working capital (12.4) Income taxes paid (8.4) etc.
B.Cash flows from investing activities	(43.4)	(26.0)	Decrease in short-term loans receivable 8.2 Acquisition of PP&E (26.8) Purchase of shares of subsidiaries resulting in change in scope of consolidation (7.3) etc.
Free cash flows (A+B)	(10.7)	(7.9)	
C.Cash flows from financing activities	8.4	2.4	Increase in interest-bearing debts 14.3 Dividends paid (10.6) etc.
D.Net increase (decrease) in cash and cash equivalents	(0.9)	(48.1)	Decrease in cash and cash equivalents resulting from corporate spin-off (43.3) etc.
E.Cash and cash equivalents at end of the fiscal year	78.8	30.7	

# **FY2023 Consolidated Forecasts**

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# Scope of Consolidation

Item	End of FY2022 (A)	End of FY2023 (B)	Difference (B) - (A)	Notes
Number of consolidated subsidiaries	36	36	-	
Number of equity method affiliates	15	15	-	
Total	51	51	-	



# Environmental Factors

Item			FY2022 (A)	FY2023 (B)	Difference (B) - (A)	
Exchange Rate		Yen/\$	135.5	130.0	(5.5)	
Material Price	Naphtha	CIF	797	740	(57)	
		Domestic	Yen/KL	76,500	68,900	(7,600)
	Benzene (ACP)		\$/ t	1,038	920	(118)
	Australian Coal (CIF)		\$/ t	393.8	224.0	(169.8)
			Yen/t	53,337	29,120	(24,217)

## Major P/L & B/S Items

(Billions of yen)

Item	FY2022 (A)	FY2023 (B)	Difference (B) - (A)	Percentage change
Net sales	494.7	545.0	50.3	10.2%
Operating profit	16.3	30.0	13.7	84.2%
Ordinary profit (loss)	(8.7)	38.5	47.2	—
Profit (loss) attributable to owners of parent	(7.0)	27.5	34.5	—

Item	End of FY2022 (A)	End of FY2023 (B)	Difference (B) - (A)
Total assets	731.6	788.0	56.4
Interest-bearing debt	218.1	248.0	29.9
Equity capital *1	361.6	378.0	16.4
Dividend(Yen /Share)	*2 95.00	*3 100.00	5.00

\*1: Equity capital = Net assets - Subscription rights to shares - Non-controlling interests

\*2: Dividend: Interim/50yen, Fiscal year-end/45yen

\*3: Dividend: Interim/50yen, Fiscal year-end/50yen

# Net Sales and Operating profit by Segment

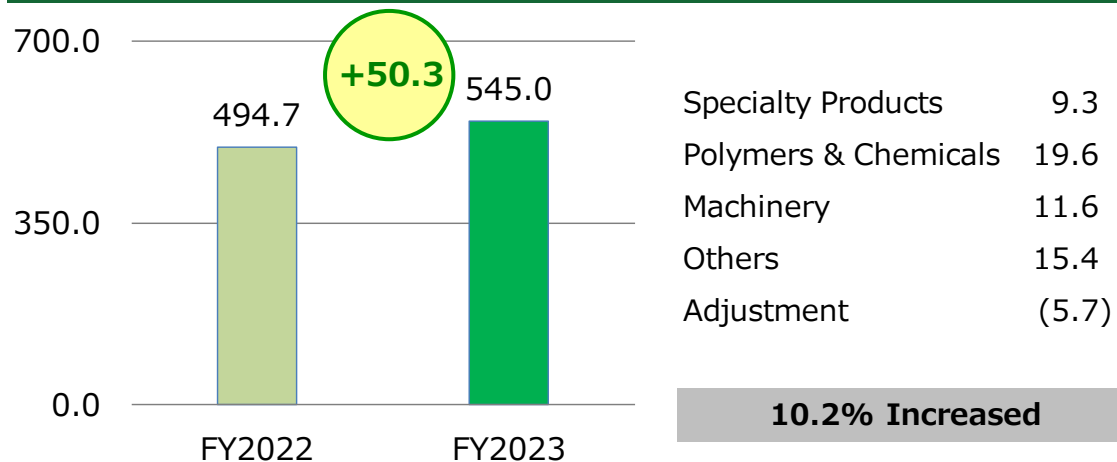
(Billions of yen)

	Segment	FY2022 (A)	FY2023 (B)	Difference (B) - (A)	Percentage change
Net sales	Specialty Products	62.2	71.5	9.3	15.0%
	Polymers & Chemicals	293.4	313.0	19.6	6.7%
	Machinery	96.9	108.5	11.6	11.9%
	Others	73.1	88.5	15.4	21.1%
	Adjustment	(30.8)	(36.5)	(5.7)	—
	<b>Total</b>	<b>494.7</b>	<b>545.0</b>	<b>50.3</b>	<b>10.2%</b>
Operating profit	Specialty Products	10.5	12.5	2.0	19.5%
	Polymers & Chemicals	2.4	12.0	9.6	394.6%
	Machinery	5.2	6.0	0.8	15.1%
	Others	2.6	3.5	0.9	32.4%
	Adjustment	(4.5)	(4.0)	0.5	—
	<b>Total</b>	<b>16.3</b>	<b>30.0</b>	<b>13.7</b>	<b>84.2%</b>

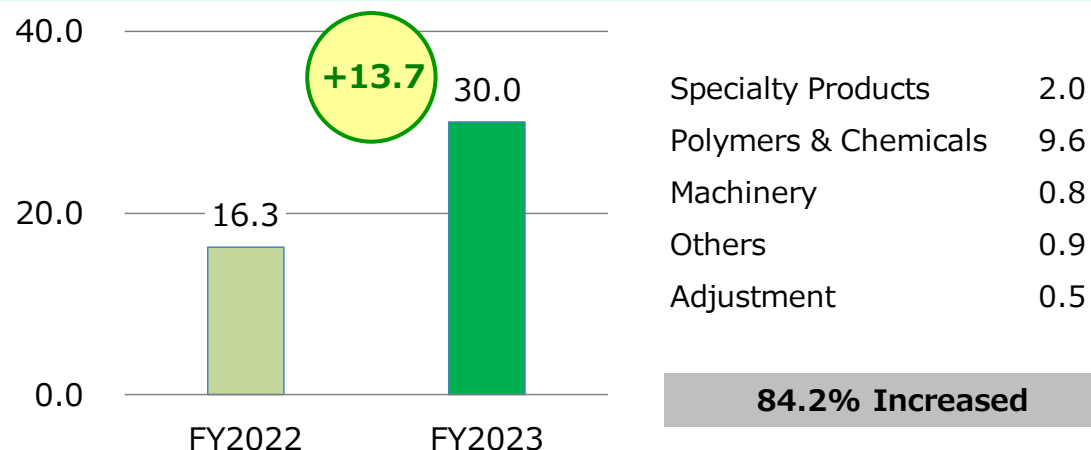
# Analysis – Total

(Billions of yen)

## Net Sales



## Operating profit



## Qualitative Information

### Net sales: Up

- Polymers & Chemicals: Recovery in demand
- Pharmaceutical: Consolidation of API Corporation

### Operating profit: Up

- Specialty Products: Increase in sales of separation membranes and separators
- Polymers & Chemicals: Recovery in demand and a certain level of price decline of raw materials

## Difference of operating profit

Price <sup>\*1</sup> 5.5

Volume 9.9

Fixed Cost and Others <sup>\*2</sup> (1.7)

**Total 13.7**

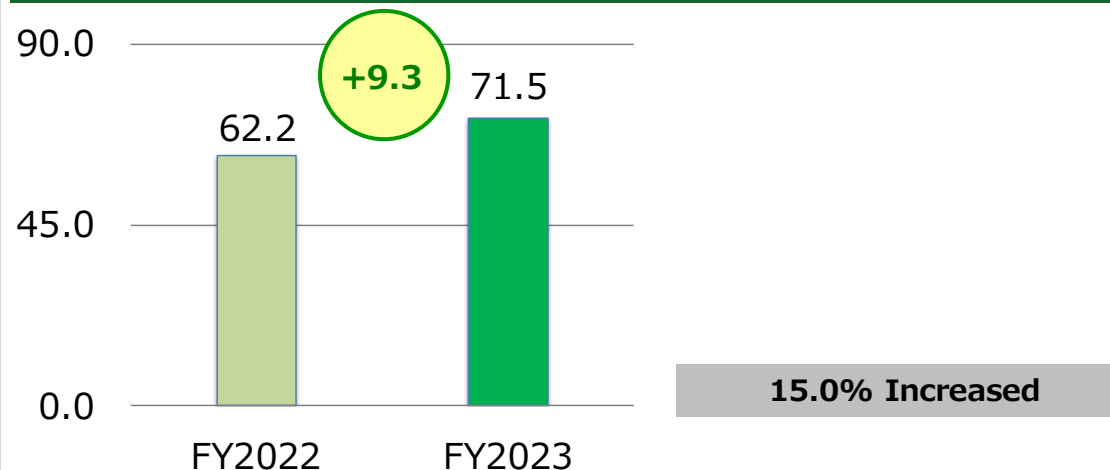
**\*1: Including both selling and purchase change**

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

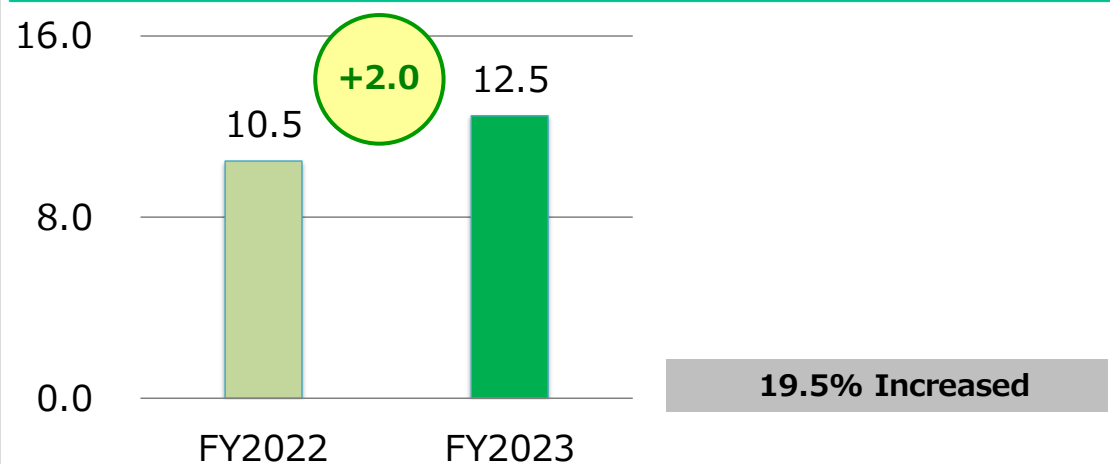
# Analysis – Specialty Products

(Billions of yen)

## Net Sales



## Operating profit



## Qualitative Information

### Net sales: Up

- Polyimide: Increase in sales of varnish for organic EL panels and other products
- Separation membranes: Increase in sales mainly for biogas-related applications
- Separators: Sales increase due to recovery in automobile production

### Operating profit: Up

- Separation membranes: Increase in sales mainly for biogas-related applications
- Separators: Sales increase due to recovery in automobile production

## Difference of operating profit

Price <sup>*1</sup>	(0.1)
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Volume	3.3
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Fixed Cost and Others <sup>*2</sup>	(1.2)
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<b>Total</b>	<b>2.0</b>
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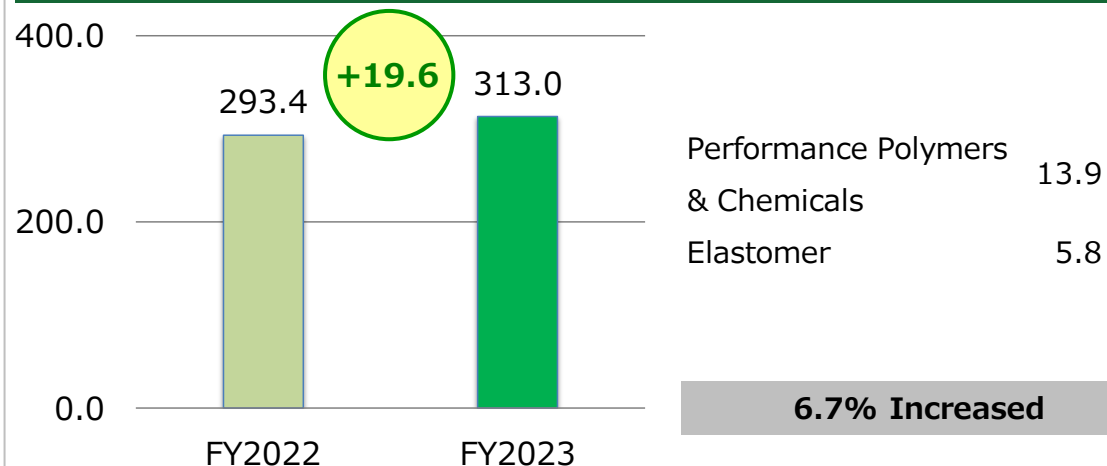
**\*1: Including both selling and purchase change**

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

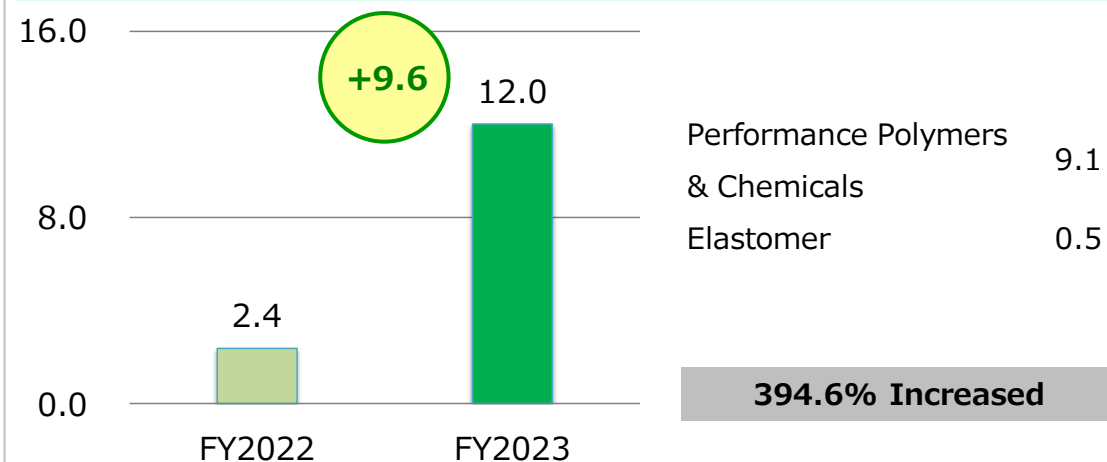
# Analysis – Polymers & Chemicals

(Billions of yen)

## Net Sales



## Operating profit



## Qualitative Information

### Net sales: Up

- Nylon polymers: Recovery in demand for products such as nylon film for food packaging
- Industrial chemicals: Sales increase due to the lack of a biennial inspection for the ammonia product factory
- Elastomer: Sales increase due to recovery in automobile production

### Operating profit: Up

- Nylon polymers: Recovery in demand for products such as nylon film for food packaging
- Caprolactam and ammonium sulfate: A certain level of price decline of raw materials

## Difference of operating profit

Price <sup>*1</sup>	5.0
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Volume	6.1
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Fixed Cost and Others <sup>*2</sup>	(1.6)
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<b>Total</b>	<b>9.6</b>
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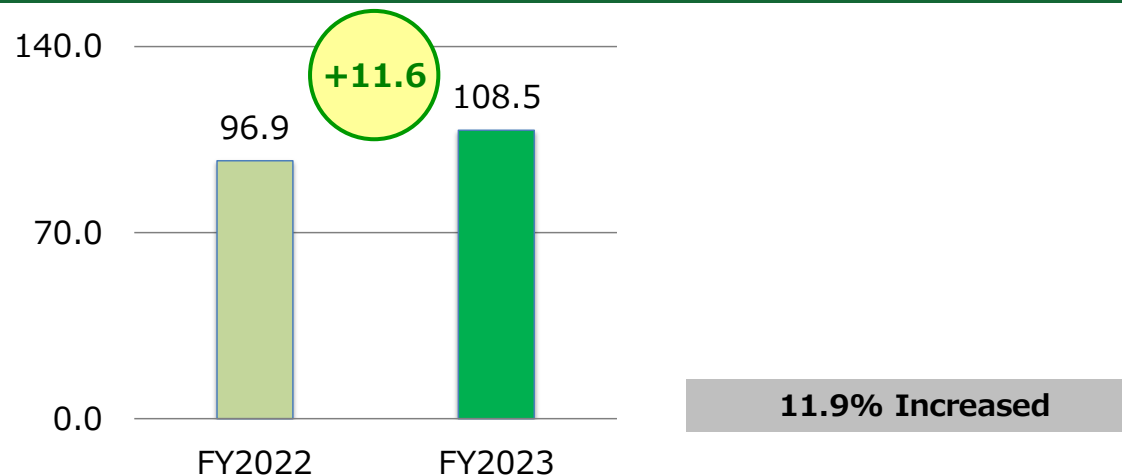
**\*1: Including both selling and purchase change**

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

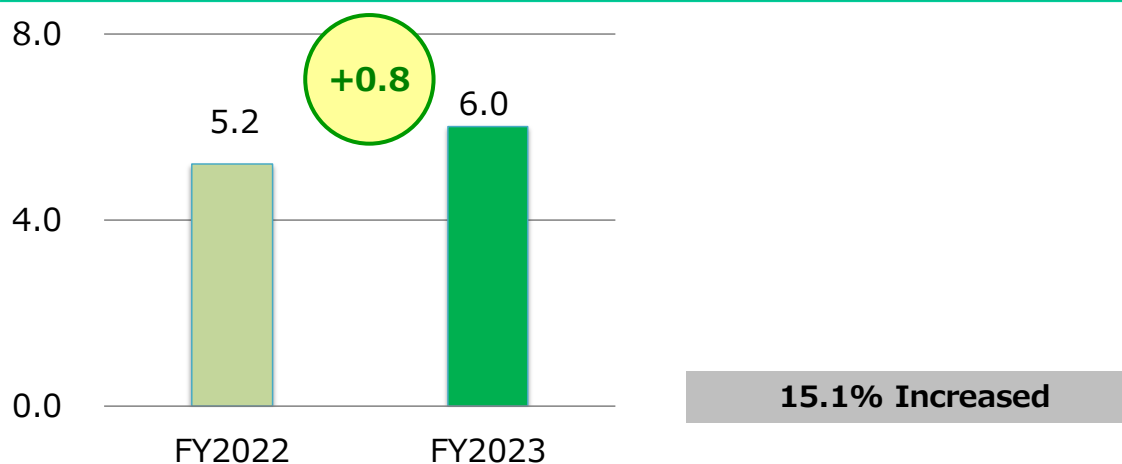
# Analysis – Machinery

(Billions of yen)

## Net Sales



## Operating profit



## Qualitative Information

### Net sales: Up

- Molding machine: Increase in sales for automotive industry

### Operating profit: Up

- Molding machine: Increase in sales for automotive industry
- Steel products: Increase in sales of some steel products

## Difference of operating profit

Price <sup>\*1</sup> (0.0)

Volume 0.5

Fixed Cost and Others <sup>\*2</sup> 0.3

**Total 0.8**

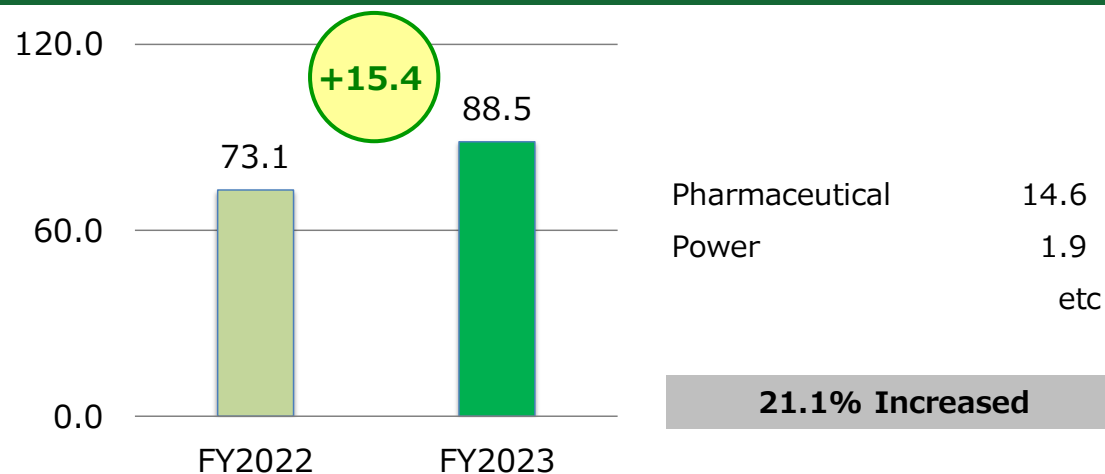
**\*1: Including both selling and purchase change**

**\*2: Including marginal profit on machinery product 2.1**

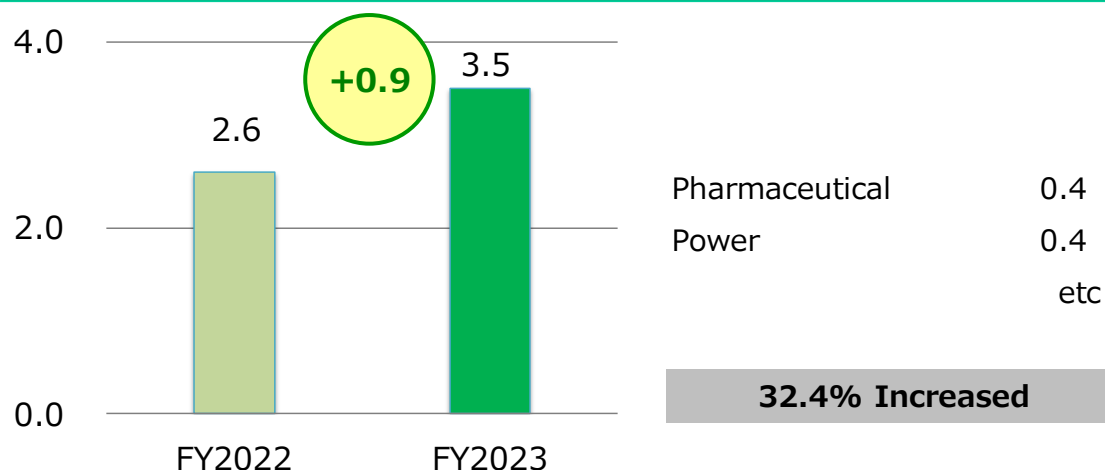
# Analysis – Others

(Billions of yen)

## Net Sales



## Operating profit



## Qualitative Information

### Net sales: Up

- Pharmaceutical: Consolidation of API Corporation

### Operating profit: Up

- Pharmaceutical: Increase in royalty revenues
- Power: Sales increase due to the lack of a biennial inspection for the power plant

## Difference of operating profit

Price <sup>\*1</sup> 0.6

Volume (0.1)

Fixed Cost and Others <sup>\*2</sup> 0.3

**Total 0.9**

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

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



# Operating Profit – Profit attributable to owners of parent

(Billions of yen)

Item	FY2022 (A)	FY2023 (B)	Difference (B) - (A)
Operating profit	16.3	30.0	13.7
Non-operating income (expenses)	(25.0)	8.5	33.5
Share of profit (loss) of entities accounted for using equity method related to Mitsubishi UBE Cement Corporation	(24.6)	8.0	32.6
Ordinary profit (loss)	(8.7)	38.5	47.2
Extraordinary income (losses)	6.1	(3.5)	(9.6)
Profit before income taxes	(2.6)	35.0	37.6
Income taxes and profit (loss) attributable to non-controlling interests	(4.4)	(7.5)	(3.1)
Profit (loss) attributable to owners of parent	(7.0)	27.5	34.5
Net income per share	(72.25) yen	283.39 yen	355.64 yen

# Reference

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# Analysis of Operating profit by Segment

(Billions of yen)

Segment	Operating profit					
	FY2021 (A)	FY2022 (B)	Difference (B) - (A)	Price *1	Volume	Fixed cost and others *2
Specialty Products	11.6	10.5	(1.2)	(0.0)	(0.8)	(0.3)
Polymers & Chemicals	23.5	2.4	(21.1)	(6.0)	(7.2)	(8.0)
Machinery	5.1	5.2	0.1	0.5	(0.1)	*3 (0.2)
Others	3.5	2.6	(0.9)	(0.5)	1.0	(1.4)
Adjustment	0.2	(4.5)	(4.7)	-	-	(4.7)
Total	44.0	16.3	(27.7)	(6.1)	(7.1)	(14.6)

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

\*3:Including marginal profit on machinery product 0.5

# Net Sales

(Billions of yen)

Segment	FY2022				
	1Q	2Q	3Q	4Q	Total
Specialty Products	15.3	16.5	15.6	14.8	62.2
Polymers & Chemicals	71.4	78.0	75.7	68.2	293.4
Machinery	20.3	24.9	24.0	27.6	96.9
Others	15.6	17.8	17.3	22.5	73.1
Adjustment	(6.5)	(8.6)	(9.1)	(6.7)	(30.8)
<b>Total</b>	<b>116.2</b>	<b>128.6</b>	<b>123.6</b>	<b>126.3</b>	<b>494.7</b>

# Operating Profit

(Billions of yen)

Segment	FY2022				
	1Q	2Q	3Q	4Q	Total
Specialty Products	2.8	2.7	3.0	1.9	10.5
Polymers & Chemicals	1.9	0.5	0.9	(0.9)	2.4
Machinery	0.4	0.9	1.4	2.6	5.2
Others	0.7	0.6	0.5	0.9	2.6
Adjustment	(1.4)	(0.5)	(1.3)	(1.3)	(4.5)
<b>Total</b>	<b>4.4</b>	<b>4.2</b>	<b>4.5</b>	<b>3.3</b>	<b>16.3</b>

## 4Q on 3Q – Net Sales

(Billions of yen)

Segment	FY2022 3Q (A)	FY2022 4Q (B)	Difference (B) - (A)	Major factors
Specialty Products	15.6	14.8	(0.9)	
Polymers & Chemicals	75.7	68.2	(7.6)	Performance Polymers & Chemicals (5.9) Elastmer (1.7)
Machinery	24.0	27.6	3.6	
Others	17.3	22.5	5.2	Pharmaceutical 4.7 Power (0.4) etc.
Adjustment	(9.1)	(6.7)	2.4	
<b>Total</b>	<b>123.6</b>	<b>126.3</b>	<b>2.7</b>	

## 4Q on 3Q – Operating Profit

(Billions of yen)

Segment	FY2022 3Q (A)	FY2022 4Q (B)	Difference (B) - (A)	Major factors
Specialty Products	3.0	1.9	(1.1)	
Polymers & Chemicals	0.9	(0.9)	(1.7)	Performance Polymers & Chemicals (0.4) Elastmer (1.3)
Machinery	1.4	2.6	1.2	
Others	0.5	0.9	0.4	Pharmaceutical 0.4 Power (0.2) etc.
Adjustment	(1.3)	(1.3)	(0.0)	
<b>Total</b>	<b>4.5</b>	<b>3.3</b>	<b>(1.2)</b>	

# Net Sales and Operating Profit by Business Portfolio

(Billions of yen)

	Business portfolio	FY2022	FY2023	Difference
		(A)	(B)	
Net sales	Specialty business	138.2	165.0	26.9
	Basic business	236.9	252.0	15.1
	Machinery business	96.9	108.5	11.6
	Other businesses (incl. adjustment)	22.8	19.5	(3.3)
	Total	494.7	545.0	50.3
Operating profit (loss)	Specialty business	18.3	20.0	1.7
	Basic business	(3.2)	7.0	10.2
	Machinery business	5.2	6.0	0.8
	Other businesses (incl. adjustment)	(4.0)	(3.0)	1.0
	Total	16.3	30.0	13.7



# Mitsubishi UBE Cement

(Billions of yen)

## ■ Major P/L Items

Mitsubishi UBE Cement Corporation and Consolidated Subsidiaries

Item	FY2022	FY2023
Net Sales	576.3	670.0
Operating profit (loss)	(28.4)	25.0
Ordinary profit (loss)	(25.8)	25.5
Profit (loss) attributable to owners of parent	(47.3)	14.5

## ■ Share of profit (loss) of entities accounted for using equity method in UBE's Consolidated Statements of Income

Share of profit (loss) of entities accounted for using equity method	(24.6)	8.0
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- Started operations as Mitsubishi UBE Cement Corporation in April 2022.
- In the domestic business, amid a difficult business environment due to soaring thermal energy prices, we implemented measures to improve profitability, such as raising cement prices in two phases, improving the structure (stopping the Aomori Factory and the first kiln of Isa), and expanding the use of inexpensive thermal energy.
- In the U.S. business, in addition to improving the cement and ready-mixed concrete supply system, sales price were raised.
- The company recorded a loss due to deterioration in the business environment and restructuring costs in FY2022, but the company expects to return to profitability in FY2023 by promoting the profit improvement measures launched in FY2022.

## ■ Environmental Factors

Item		FY2022	FY2023
Total demand for cement in Japan	(million tons)	37.24	38.00
Cement sales volumes in Japan	(million tons)	9.09	9.28
Cement sales volumes in the U.S.	(million tons)	1.63	1.69
Ready-mixed concrete sales volumes in the U.S.	(million cy)	6.74	7.48
Coal Price	(\$/t)	356	370
Exchange Rate	(Yen/\$)	135	130

(Reference) Consolidated Balance Sheet as of March 31, 2023

Total assets	772.7	Interest-bearing debt	217.5	Shareholder's equity	319.8
Shareholder's equity ratio	41.4%	D/E ratio	0.68 times		

# Consolidated Key Indicators

(Billions of yen)

Item	FY2021	FY2022	FY2023 (forecast)
Capital investment	39.6	29.3	47.5
Depreciation and amortization	36.5	25.4	24.5
Research and development expenses	11.8	10.4	11.0
Adjusted operating profit (loss)	43.3	(5.4)	41.0
Interest-bearing debt	241.8	218.1	248.0
Shareholders' equity	369.1	361.6	378.0
Total assets	838.0	731.6	788.0
D/E ratio (times)	0.66	0.60	0.66
Shareholders' equity ratio (%)	44.1	49.4	48.0
Return on sales - ROS (%)	6.7	3.3	5.5
Return on assets - ROA (%)	5.4	(0.7)	5.4
Return on equity - ROE (%)	6.7	(1.9)	7.4
Number of employees	9,849	8,028	8,150

# Consolidated Major Subsidiaries

(Billions of yen)

Subsidiaries and Affiliates	Business	Net Sales FY2022	Difference of operating profit from FY 2021
UBE Corporation Europe, S.A. Unipersonal	Manufacture and sales of nylon, caprolactam, ammonium sulfate and fine chemical products	71.8	↓
UBE Chemicals (Asia) Public Company Limited	Manufacture and sales of nylon, caprolactam and ammonium sulfate	50.7	↓
THAI SYNTHETIC RUBBERS COMPANY LIMITED	Manufacture and sales of polybutadiene rubber	18.9	→
Ube Film, Ltd.	Manufacture and sales of plastic film products	10.8	↓
UBE EXSYMO CO., LTD.	Manufacture and sales of polypropylene molded products, fibers, fiber-reinforced plastics and electronic and information materials	12.8	↓
UBE Machinery Corporation, Ltd.	Manufacture, sales, and service of molding machines, industrial machinery and bridge, etc.	49.3	→
UBE Steel Co., Ltd	Manufacture and sales of cast iron and steel products and rolled steel billets	32.2	↑

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

# 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
Specialty Products	34.0	37.5	71.5	5.5	7.0	12.5
Polymers & Chemicals	153.0	160.0	313.0	3.0	9.0	12.0
Machinery	48.0	60.5	108.5	1.5	4.5	6.0
Others	42.0	46.5	88.5	1.0	2.5	3.5
Adjustment	(18.0)	(18.5)	(36.5)	(2.0)	(2.0)	(4.0)
<b>Total</b>	<b>259.0</b>	<b>286.0</b>	<b>545.0</b>	<b>9.0</b>	<b>21.0</b>	<b>30.0</b>

## Major Items for Capital Expenditure

Segment	Subject	Place	Estimated completion date
Specialty Products	Expand plant of raw material of polyimide (BPDA)	Ube, Japan	FY2023
	Expand production facilities for polyimide film	Ube, Japan	FY2024
	Expand production facilities for gas separation membranes	Ube, Japan Sakai, Japan	FY2025

## **FY2023 Management Overview Briefing and 1st Quarter FY2023 Business Results**

- **FY2023 Management Overview Briefing**
  - **May 23, 2023 10:00 – 11:30**
- **Announcement of 1st quarter FY2023 Business Results**
  - **August 4, 2023 15:00**
- **Telephone Conference for 1st Quarter FY2023 Business Results**
  - **August 4, 2023 18:00 – 18:45**

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

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