



MEMBERSHIP

November 2, 2023

Company name: UBE Corporation
Security code: 4208 (shares listed on Prime Section of Tokyo Stock Exchange and Fukuoka Stock Exchange)
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UBE Corporation Announces Revised Earnings Forecasts

UBE Corporation has revised its earnings forecasts for the fiscal year ending March 31, 2024, previously announced on May 12, 2023. The changes are described below.

1 Revised Earnings Forecast for the First Half of the Fiscal Year ending March 31, 2024 (April 1, 2023 to September 30, 2023)

Consolidated

(Unit: Billions of yen except per share data)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net income per share (Yen)
Previous forecast (A)	259.0	9.0	12.0	7.5	77.29
Revised forecast (B)	218.1	5.2	11.3	9.0	92.73
Change (B-A)	(40.9)	(3.8)	(0.7)	1.5	
Percentage change	(15.8)%	(42.2)%	(5.8)%	20.0%	
Previous fiscal year	244.8	8.5	(2.7)	(1.3)	(12.98)

2 Revised Earnings Forecast for the Full Year of the Fiscal Year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

Consolidated

(Unit: Billions of yen except per share data)

	Net sales	Operating profit	Ordinary Profit	Profit attributable to owners of parent	Net income per share (Yen)
Previous forecast (A)	545.0	30.0	38.5	27.5	283.39
Revised forecast (B)	484.0	17.0	26.5	21.5	221.51
Change (B-A)	(61.0)	(13.0)	(12.0)	(6.0)	
Percentage change	(11.2)%	(43.3)%	(31.2)%	(21.8)%	
Previous fiscal year	494.7	16.2	(8.7)	(7.0)	(72.54)

3 Reasons for the Revision

(First half of the fiscal year ending March 31, 2024)

Net sales are projected to be lower than the previous forecast due to declining sales prices and volumes for nylon polymers, caprolactam, and other products in the Polymers & Chemicals segment, which are the result of the economic slowdown in China and other factors. Operating profit is also projected to come in lower than the previous forecast. This is mainly due to the deteriorating performance of the Polymers & Chemicals segment as a result of declining sales volumes and a narrowing price spread (difference between selling prices and main raw material prices) for nylon polymers and caprolactam, which overshadowed the firm performance of the Specialty Products, Machinery, and the Others segments.

However, ordinary profit is expected to remain almost the same as the previous forecast, as equity method investment gain/loss improves significantly thanks to efforts by the cement-related business (equity-method affiliate) to correct sales prices so they reflect soaring energy prices, for instance for coal, and other costs. As a result, profit attributable to owners of parent is projected to exceed the previous forecast due to lower tax expenses than the previous forecast.

(Full year of the fiscal year ending March 31, 2024)

As the recovery of demand in the Polymers & Chemicals segment is now projected to be much slower than previously assumed for the second half, the Company anticipates overall full-year results to fall short of the previous forecast.

The dividend forecast remains unchanged.

(Reference) Consolidated Net Sales and Operating Profit by Segment (Unit: Billions of yen)

Item	Segment	Fiscal Year Ending March 31, 2024						The Previous Fiscal Year ended March 31, 2023	
		Previous Forecast		Revised Forecast		Change		Result	
		First Half (A)	Full Year (B)	First Half (C)	Full Year (D)	First Half (C)-(A)	Full Year (D)-(B)	First Half	Full Year
Net sales	Specialty Products	34.0	71.5	31.3	67.5	(2.7)	(4.0)	31.8	62.2
	Polymers & Chemicals	153.0	313.0	120.2	257.5	(32.8)	(55.5)	149.5	293.4
	Machinery	48.0	108.5	42.7	106.5	(5.3)	(2.0)	45.3	96.9
	Others	42.0	88.5	38.0	81.0	(4.0)	(7.5)	33.4	73.1
	Adjustment	(18.0)	(36.5)	(14.0)	(28.5)	4.0	8.0	(15.1)	(30.8)
	Total	259.0	545.0	218.1	484.0	(40.9)	(61.0)	244.8	494.7
Operating profit	Specialty Products	5.5	12.5	5.7	13.0	0.2	0.5	5.5	10.2
	Polymers & Chemicals	3.0	12.0	(2.4)	(2.0)	(5.4)	(14.0)	2.4	2.6
	Machinery	1.5	6.0	2.2	6.5	0.7	0.5	1.2	5.2
	Others	1.0	3.5	1.4	4.0	0.4	0.5	1.2	2.6
	Adjustment	(2.0)	(4.0)	(1.6)	(4.5)	0.4	(0.5)	(1.8)	(4.5)
	Total	9.0	30.0	5.2	17.0	(3.8)	(13.0)	8.5	16.2

Note: The above earnings forecasts are based on certain assumptions judged to be reasonable by the Company when preparing this document. Actual results can vary significantly from forecasts, due to changes in a wide variety of conditions.