

# Financial Results for the 1st half FY2024

---

## Explanatory material

November 7, 2024

1st Half: April - September

# **FY2024 1st half Consolidated Result**

---

## Scope of Consolidation

Item	End of FY2023 (A)	End of FY2024 2Q (B)	Difference (B) - (A)	Notes
Number of consolidated subsidiaries	36	35	(1)	- UBE EXSYMO ADVANCED MATERIALS (WUXI) CO., LTD.
Number of equity method affiliates	16	16	0	+ Sampo GmbH - UBE Hotels., Co., Ltd.
Total	52	51	(1)	

## Environmental Factors

Item			FY2023 2Q (A)	FY2024 2Q (B)	Difference (B) - (A)	
Exchange Rate		Yen/\$	141.0	152.6	11.6	
Material Price	Naphtha	CIF	\$/ t	656	714	58
		Domestic	Yen/KL	65,550	78,000	12,450
	Benzene (ACP)		\$/ t	906	1,063	157
	Australian Coal (CIF)		\$/ t	208.3	162.0	(46.3)
			Yen/t	29,362	24,726	(4,636)

## Major P/L Items

(Billions of yen)

Item	FY2023 2Q (A)	FY2024 2Q (B)	Difference (B) - (A)	Percentage change
Net sales	218.1	243.0	25.0	11.4%
Operating profit	5.2	6.0	0.8	15.9%
Ordinary profit	11.3	1.9	(9.4)	(83.2)%
Profit attributable to owners of parent	9.0	0.3	(8.7)	(96.5)%

# Net Sales and Operating Profit by Segment

(Billions of yen)

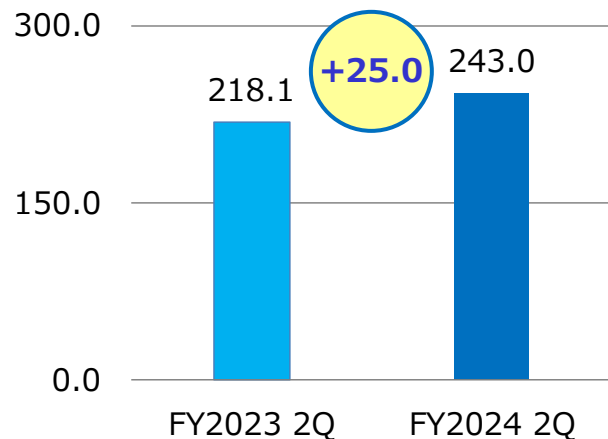
	Segment	FY2023 2Q (A)	FY2024 2Q (B)	Difference (B) - (A)	Percentage change
Net sales	Specialty Products	31.3	31.7	0.4	1.3%
	Polymers & Chemicals	121.2	144.1	22.9	18.9%
	Machinery	42.7	43.0	0.4	0.9%
	Others	35.3	35.0	(0.3)	(0.8)%
	Adjustment	(12.4)	(10.8)	1.5	-
	<b>Total</b>	<b>218.1</b>	<b>243.0</b>	<b>25.0</b>	<b>11.4%</b>
Operating profit	Specialty Products	5.7	5.0	(0.7)	(12.2)%
	Polymers & Chemicals	(2.4)	(1.4)	1.0	-
	Machinery	2.2	3.0	0.8	38.2%
	Others	1.5	1.7	0.3	20.0%
	Adjustment	(1.7)	(2.2)	(0.6)	-
	<b>Total</b>	<b>5.2</b>	<b>6.0</b>	<b>0.8</b>	<b>15.9%</b>

Note: UBE America Inc. and UBE CORPORATION AMERICA INC. are reclassified from the "Others" segment to the "Polymers & Chemicals" segment from FY2024. Net sales and operating profit for FY2023 2Q are figures reflecting the segment reclassification.

# Analysis – Total

(Billions of yen)

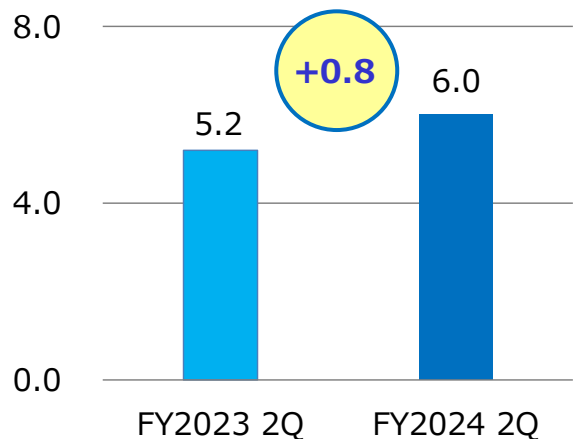
## Net Sales



Specialty Products	0.4
Polymers & Chemicals	22.9
Machinery	0.4
Others	(0.3)
Adjustment	1.5

**11.4% Increased**

## Operating profit



Specialty Products	(0.7)
Polymers & Chemicals	1.0
Machinery	0.8
Others	0.3
Adjustment	(0.6)

**15.9% Increased**

## Qualitative Information

### Net sales: Up

- Polymers & Chemicals: Increase in sales volume and sales prices of nylon polymers, caprolactam, and other products in the overseas market

### Operating profit: Up

- Polymers & Chemicals: Strong sales of nylon polymers, caprolactam, and other products
- Machinery: Steady sales of machinery products

## Difference of operating profit

Price <sup>*1</sup>	4.7
Volume	0.1
Fixed Cost and Others <sup>*2</sup>	(3.9)
<b>Total</b>	<b>0.8</b>

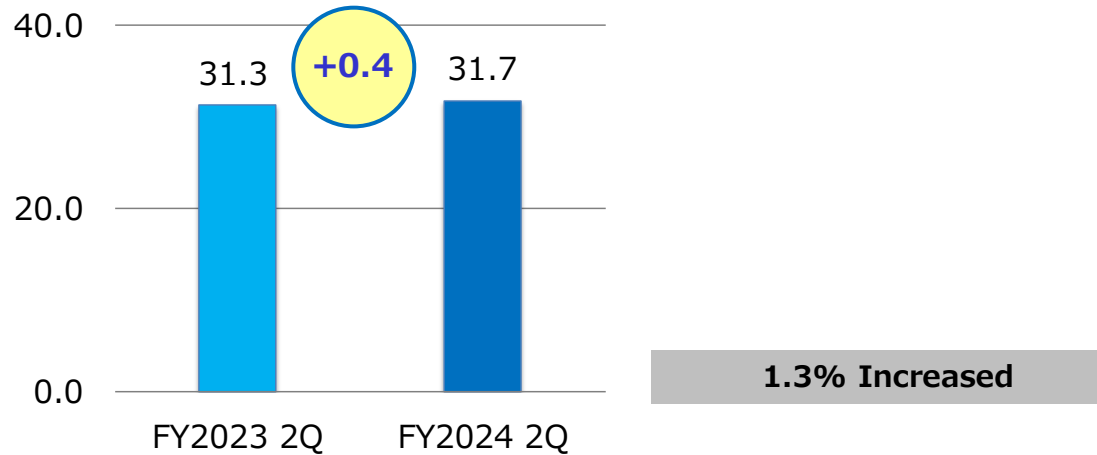
\*1: Including both selling and purchase change

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

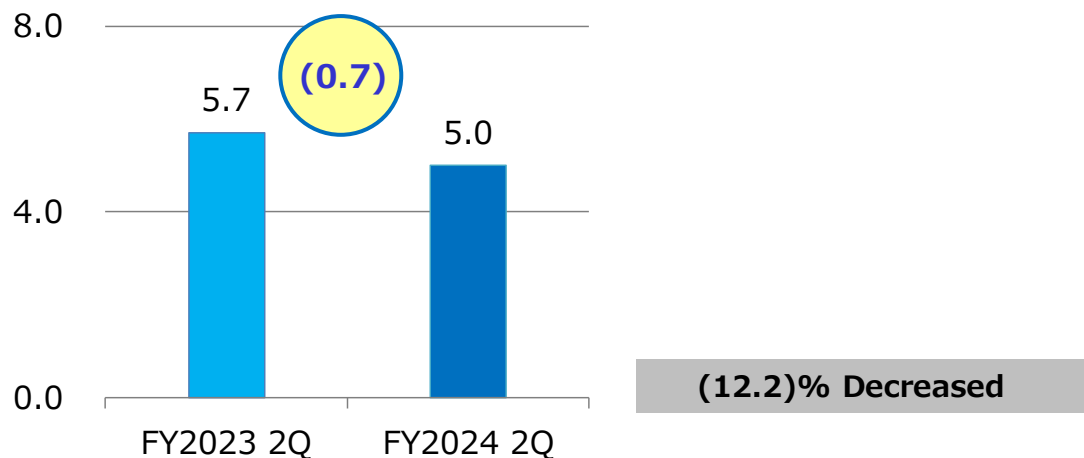
# Analysis – Specialty Products

(Billions of yen)

## Net Sales



## Operating profit



## Qualitative Information

### Net sales: Up

- Ceramics: Strong demand for bearings and substrates applications
- Separators: Increase in sales volume mainly due to increased demand for products for hybrid vehicles

### Operating profit: Down

- Sluggish sales of polyimide varnish

## Difference of operating profit

Price <sup>*1</sup>	0.7
Volume	0.2
Fixed Cost and Others <sup>*2</sup>	(1.6)
<b>Total</b>	<b>(0.7)</b>

\*1: Including both selling and purchase change

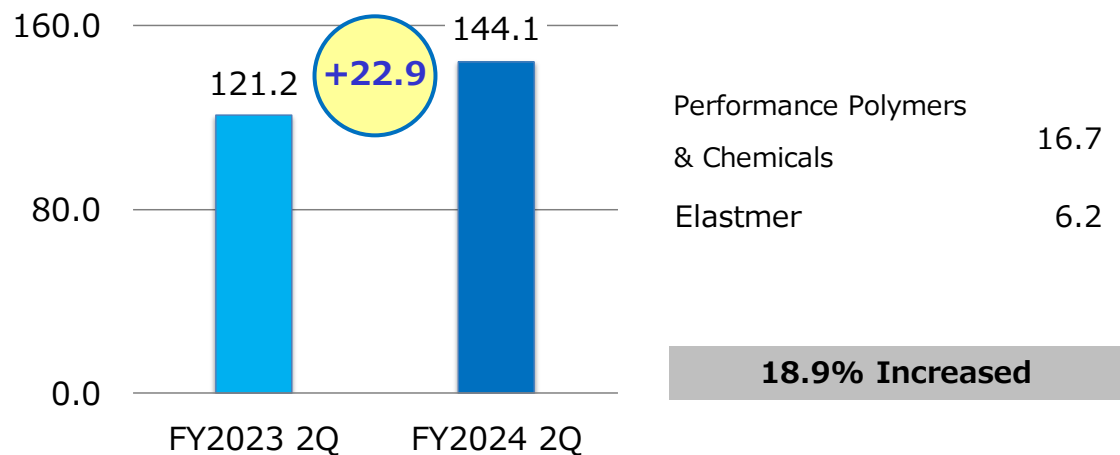
\*2: Including inventory valuation changes and lowest cost accounting



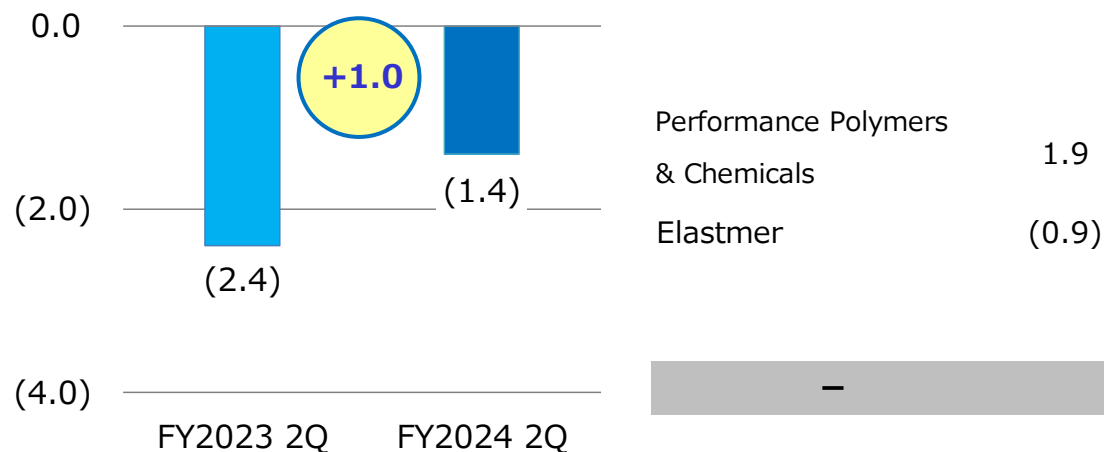
# Analysis – Polymers & Chemicals

(Billions of yen)

## Net Sales



## Operating profit



## Qualitative Information

### Net sales: Up

- Nylon polymers: Increase in sales volume and sales prices thanks to recovery in demand for food packaging film, etc. in the overseas market
- Caprolactam & ammonium sulfate: Increase in sales volume in the overseas market, and higher sales prices due to higher market prices of raw materials

### Operating profit: Up

- Increase in sales volume and sales prices of nylon polymers and caprolactam due to the recovery in demand in the overseas market

## Difference of operating profit

Price <sup>*1</sup>	2.0
Volume	0.6
Fixed Cost and Others <sup>*2</sup>	(1.6)
<b>Total</b>	<b>1.0</b>

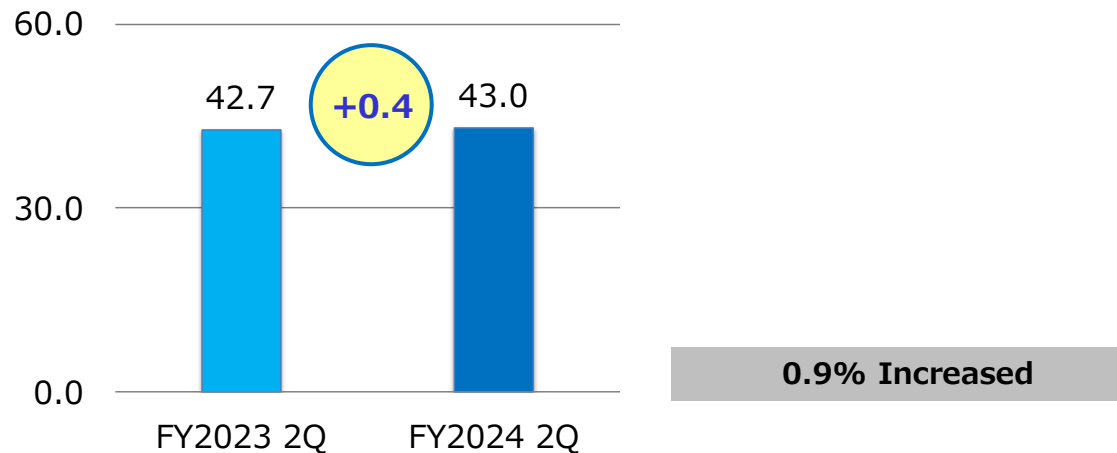
\*1: Including both selling and purchase change

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

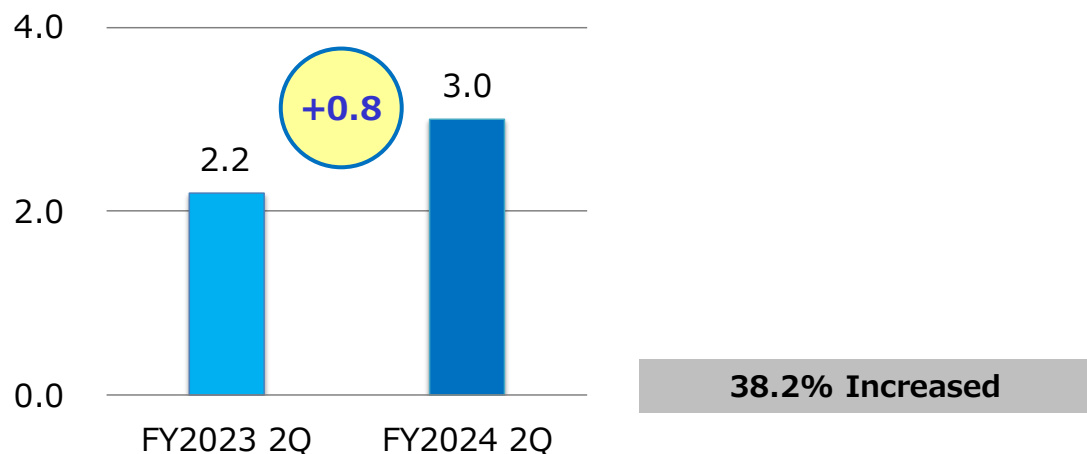
# Analysis – Machinery

(Billions of yen)

## Net Sales



## Operating profit



## Qualitative Information

### Net sales: Up

- Molding machines: Steady sales of machinery products for the automotive industry in North America
- Industrial Machines: Steady sales of machinery products

### Operating profit: Up

- Strong performance of after-sales services for the molding machines
- Steady sales of machinery products both in the molding machines and industrial machines businesses

## Difference of operating profit

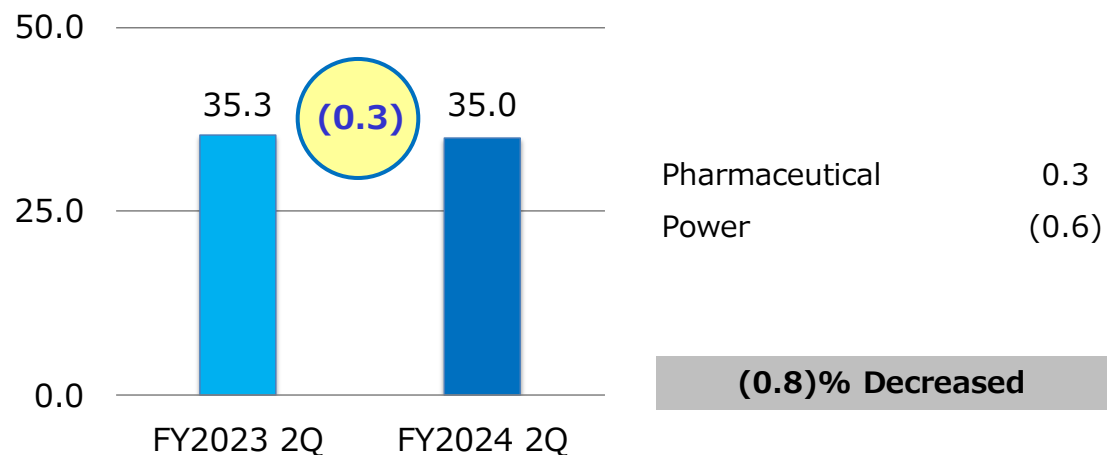
Marginal profit on machinery product: 1.9

(Since machinery products are manufactured on an individual order basis, differences in price and volume are not analyzed.)

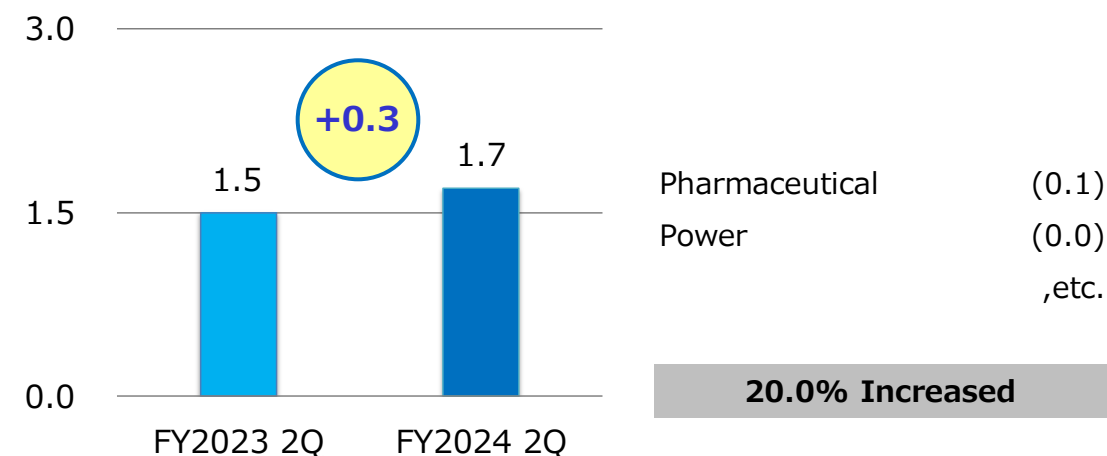
# Analysis – Others

(Billions of yen)

## Net Sales



## Operating profit



## Qualitative Information

### Net sales: Down

- Power: Decreased volume of electricity sold because of lower demand for electricity in cement-related business, etc.

### Operating profit: Up

- Strong performance of sales companies

## Difference of operating profit

Price <sup>*1</sup>	2.0
Volume	(0.1)
Fixed Cost and Others <sup>*2</sup>	(1.7)
<b>Total</b>	<b>0.3</b>

\*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	FY2023 2Q (A)	FY2024 2Q (B)	Difference (B) - (A)
Operating profit	5.2	6.0	0.8
Non-operating income (expenses)	6.1	(4.2)	(10.2)
Net interests expenses	0.1	0.0	(0.1)
Share of profit (loss) of entities accounted for using equitiy method	5.9	(1.4)	(7.4)
Share of profit of entities accounted for using equitiy method related to Mitsubishi UBE Cement Corporation	6.9	8.1	1.2
Others (incl. share of loss of entities accounted for using equitiy method related to LOTTE UBE SYNTHETIC RUBBER SDN. BHD. *)	(0.9)	(9.5)	(8.6)
Foreign exchange gains	1.2	(1.3)	(2.5)
Others	(1.2)	(1.4)	(0.2)
Ordinary profit	11.3	1.9	(9.4)
Extraordinary income (losses)	(0.5)	0.1	0.6
Profit before income taxes	10.8	2.0	(8.8)
Income taxes and profit (loss) attributable to non-controlling interests	(1.8)	(1.7)	0.1
Profit attributable to owners of parent	9.0	0.3	(8.7)
Net income per share	92.93 yen	3.28 yen	(89.65) yen

\* Loss due to the dissolution of LOTTE UBE SYNTHETIC RUBBER SDN. BHD. and the loss for the period

# Consolidated Balance Sheet

(Billions of yen)

Item	End of FY2023 (A)	End of FY2024 2Q (B)	Difference (B) - (A)
Current assets	295.7	286.7	(9.0)
Fixed assets	493.2	509.3	16.1
<b>Total assets</b>	<b>789.0</b>	<b>796.2</b>	<b>7.1</b>
Interest-bearing debt	213.4	239.0	25.6
Other liabilities	146.2	136.8	(9.5)
<b>Total liabilities</b>	<b>359.7</b>	<b>375.8</b>	<b>16.1</b>
Shareholders' equity *	408.7	399.1	(9.6)
Non-controlling interests and others	20.7	21.2	0.6
<b>Total net assets</b>	<b>429.4</b>	<b>420.4</b>	<b>(9.0)</b>
<b>Total liabilities and net assets</b>	<b>789.0</b>	<b>796.2</b>	<b>7.1</b>

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

# Consolidated Statements of Cash Flows

(Billions of yen)

Item	FY2023 2Q	FY2024 2Q	
A.Cash flows from operating activities	23.4	6.3	Profit before income taxes 2.0 Depreciation and amortization 13.6 Increase in working capital (2.4) Income taxes paid (2.6), etc.
B.Cash flows from investing activities	(17.6)	(33.1)	Acquisition of PP&E and intangible asset (31.8), etc.
Free cash flows (A+B)	5.8	(26.8)	
C.Cash flows from financing activities	(9.1)	19.2	Increase in interest-bearing debts 25.3 Dividends paid (6.1)
D.Net increase/decrease in cash and cash equivalents	(2.2)	(7.3)	
E.Cash and cash equivalents at end of the period	28.5	28.6	

# Reference

---

## Progress of Major P/L Items

(Billions of yen)

Item	FY2023 Results (A)		FY2024 Forecast (B)		Difference (B) - (A)	
		2Q Progress		2Q Progress		2Q
Net sales	468.2	218.1 46.6%	510.0	243.0 47.7%	41.8	25.0
Operating profit	22.5	5.2 23.2%	27.0	6.0 22.4%	4.5	0.8
Ordinary profit	36.3	11.3 31.1%	37.0	1.9 5.1%	0.7	(9.4)
Profit attributable to owners of parent	29.0	9.0 31.1%	29.5	0.3 1.1%	0.5	(8.7)



# Net Sales

(Billions of yen)

Segment	FY2024					Full-year (forecast)	Progress
	1Q	2Q	3Q	4Q	Total		
Specialty Products	15.1	16.6	–	–	31.7	70.0	45.3%
Polymers & Chemicals	70.9	73.3	–	–	144.1	288.0	50.0%
Machinery	19.2	23.9	–	–	43.0	104.0	41.4%
Others	15.7	19.3	–	–	35.0	72.0	48.7%
Adjustment	(5.5)	(5.4)	–	–	(10.8)	(24.0)	– %
<b>Total</b>	<b>115.4</b>	<b>127.7</b>	<b>–</b>	<b>–</b>	<b>243.0</b>	<b>510.0</b>	<b>47.7%</b>

# Operating Profit

(Billions of yen)

Segment	FY2024					Full-year (forecast)	Progress
	1Q	2Q	3Q	4Q	Total		
Specialty Products	2.2	2.8	–	–	5.0	12.5	39.7%
Polymers & Chemicals	0.1	(1.5)	–	–	(1.4)	9.5	–%
Machinery	1.0	2.0	–	–	3.0	7.0	42.5%
Others	0.3	1.4	–	–	1.7	2.0	87.1%
Adjustment	(0.7)	(1.5)	–	–	(2.2)	(4.0)	–%
<b>Total</b>	<b>2.9</b>	<b>3.1</b>	<b>–</b>	<b>–</b>	<b>6.0</b>	<b>27.0</b>	<b>22.4%</b>

## 2Q on 1Q – Net Sales

(Billions of yen)

Segment	FY2024 1Q (A)	FY2024 2Q (B)	Difference (B) - (A)	Major factors
Specialty Products	15.1	16.6	1.5	
Polymers & Chemicals	70.9	73.3	2.4	Performance Polymers & Chemicals 0.1 Elastmer 2.3
Machinery	19.2	23.9	4.7	
Others	15.7	19.3	3.6	Pharmaceutical 3.2 Power 0.4
Adjustment	(5.5)	(5.4)	0.1	
<b>Total</b>	<b>115.4</b>	<b>127.7</b>	<b>12.3</b>	

## 2Q on 1Q – Operating Profit

(Billions of yen)

Segment	FY2024 1Q (A)	FY2024 2Q (B)	Difference (B) - (A)	Major factors
Specialty Products	2.2	2.8	0.6	
Polymers & Chemicals	0.1	(1.5)	(1.6)	Performance Polymers & Chemicals (2.7) Elastmer 1.1
Machinery	1.0	2.0	1.0	
Others	0.3	1.4	1.1	Pharmaceutical 1.1 Power 0.1 ,etc.
Adjustment	(0.7)	(1.5)	(0.9)	
<b>Total</b>	<b>2.9</b>	<b>3.1</b>	<b>0.2</b>	

# Net Sales and Operating Profit by Business Portfolio

(Billions of yen)

	Business portfolio	FY2023 2Q (A)	FY2024 2Q (B)	Difference (B) - (A)	FY2024 full-year (forecast)	Progress
Net sales	Specialty business	73.8	75.1	1.4	172.5	43.6%
	Basic business	93.2	113.2	20.0	217.5	52.0%
	Machinery business	42.7	43.0	0.4	104.0	41.4%
	Other businesses (incl. adjustment)	8.5	11.7	3.2	16.0	73.1%
	Total	218.1	243.0	25.0	510.0	47.7%
Operating profit	Specialty business	8.3	7.5	(0.8)	24.0	31.3%
	Basic business	(3.2)	(2.3)	0.9	1.0	–
	Machinery business	2.2	3.0	0.8	7.0	42.5%
	Other businesses (incl. adjustment)	(2.0)	(2.1)	(0.1)	(5.0)	–
	Total	5.2	6.0	0.8	27.0	22.4%

# Mitsubishi UBE Cement

## ■ Mitsubishi UBE Cement Corporation and Consolidated Subsidiaries Major P/L Items (Billions of yen)

Item		FY2023 2Q	FY2024 2Q	FY2024 full-year (forecast) <sup>*1</sup>
Net sales	Domestic business	206.1	188.5	384.0 (410.0)
	Overseas business	92.8	100.3	188.0 (195.0)
	Total	298.9	288.8	572.0 (605.0)
Operating profit	Domestic business	3.5	7.8	16.0 (15.0)
	Overseas business	18.0	20.0	30.0 (28.0)
	Total	21.6	27.8	46.0 (43.0)
Ordinary profit		22.5	28.6	46.0 (42.0)
Profit attributable to owners of parent		13.0	15.6	22.0 (21.0)

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

Share of profit of entities accounted for using equity method	6.9	8.1	11.0

- Businesses in Japan:  
(1st Half) Net sales decreased due to a decline in sales volume in the environment and energy business and the impact of a fall in the coal price. Operating profit increased due to an improvement in the cement business, reflecting the effects of cement price increases implemented in the previous fiscal year and lower thermal energy prices.  
(Full year) We expect the second half of the fiscal year to follow the same trend as the first half, and forecast a decrease in net sales and increase in operating profit for the full year.
- Businesses outside Japan:  
(1st Half) The U.S. business posted higher net sales and operating profit due to the effect of price increases implemented in the previous fiscal year and the impact of foreign exchange rates, despite lower sales volume of cement and ready-mixed concrete. Coal business in Australia posted lower net sales and operating profit due to lower sales prices and other factors. Overall, overseas business recorded increases both in net sales and operating profit.  
(Full year) In the U.S. business, sales volume in the second half is expected to exceed that of the same period of the previous fiscal year, which was affected by bad weather in the fourth quarter. While net sales is expected to increase, operating profit is expected to decrease due to cost hikes and other factors. The coal business in Australia is also expected to post higher net sales and lower operating profit in the second half. Overall, operating profit of the overseas business is expected to remain at the same level as the previous fiscal year.

## ■ Environmental Factors

Item		FY2023 2Q	FY2024 2Q	FY2024 full-year (forecast) <sup>*1</sup>
Total demand for cement in Japan	(million tons)	17.39	16.34	33.00 (35.00)
Cement sales volumes in Japan	(million tons)	4.15	3.87	8.00 (8.50)
Cement sales volumes in the U.S.	(million tons)	0.93	0.84	1.70 (1.79)
Ready-mixed concrete sales volumes in the U.S.	(million cy)	3.81	3.49	6.60 (7.04)
Coal Price <sup>*2</sup>	(\$/t)	154	138	144 (180)
Exchange Rate	(Yen/\$)	141	153	149 (145)

\*1 The figures in parentheses are the figures announced in May 13 2024.

\*2 The above thermal coal prices are reference indices and differ from actual procurement prices.

## (Reference) Consolidated Balance Sheet at end of FY2024 2Q (Billions of yen)

Total assets	791.1	Interest-bearing debt	165.0	Shareholder's equity	373.4
Shareholder's equity ratio	47.2%	D/E ratio	0.44 Times		

## Consolidated Key Indicators

(Billions of yen)

Item	FY2023 2Q	FY2024 2Q	FY2024 full-year (forecast)	FY2023 full-year
Capital investment	12.8	26.9	81.0	36.1
Depreciation and amortization	13.0	13.6	27.0	26.6
Research and development expenses	5.1	4.9	10.0	10.3
Adjusted operating profit	11.8	5.3	39.7	38.8
Interest-bearing debt	214.6	239.0	269.0	213.4
Shareholders' equity	381.7	399.1	424.0	408.7
Total assets	743.3	796.2	850.0	789.0
D/E ratio (times)	0.56	0.60	0.63	0.52
Shareholders' equity ratio (%)	51.3	50.1	49.9	51.8
Return on sales - ROS (%)	2.4	2.5	5.3	4.8
Return on assets - ROA (%)	–	–	4.8	5.1
Return on equity – ROE (%)	–	–	7.1	7.5
Return on invested capital - ROIC (%)	–	–	4.8	4.7

# Consolidated Major Subsidiaries

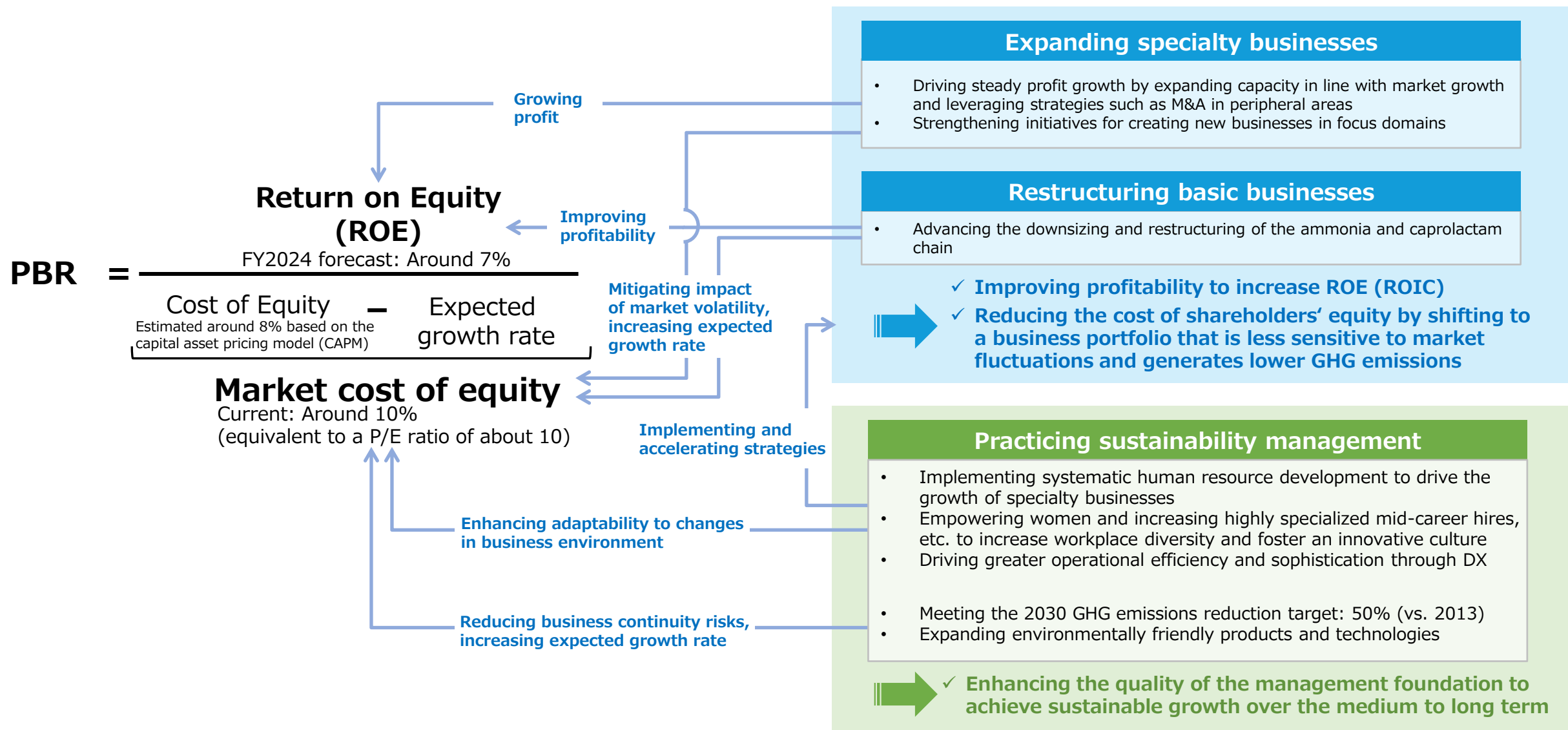
(Billions of yen)

Subsidiaries	Business	Net Sales FY2024 2Q	Difference of operating profit from FY2023 2Q <sup>*2</sup>
UBE CORPORATION EUROPE S.A.U.	Manufacture and sales of composites, nylon polymers, caprolactam, ammonium sulfate, C1 chemical, high-performance coatings and other products	32.9	↑
UBE Chemicals (Asia) Public Company Limited	Manufacture and sales of composites, nylon polymers, caprolactam and ammonium sulfate	28.0	↑
THAI SYNTHETIC RUBBERS COMPANY LIMITED	Manufacture and sales of polybutadiene rubber	12.0	↓
UBE FILM, LTD.	Manufacture and sales of plastic film products	5.5	↓
UBE EXSYMO CO., LTD.	Manufacture and sales of polypropylene molded products, fibers, fiber-reinforced plastics and electronic and information materials	5.8	→
UBE MACHINERY CORPORATION, Ltd.	Manufacture and sales of molding machines, industrial machinery and bridge, etc. After-sales services for molding machines and industrial machinery	22.9	↑
UBE STEEL CO., LTD. <sup>*1</sup>	Manufacture and sales of cast iron and steel products and rolled steel billets	11.9	↓

\*1 Management rights were transferred to iSigma Capital Corporation, effective November 1, 2024

\*2 ↑ ↓ Represent an increase or decrease of over 0.1 billion JPY

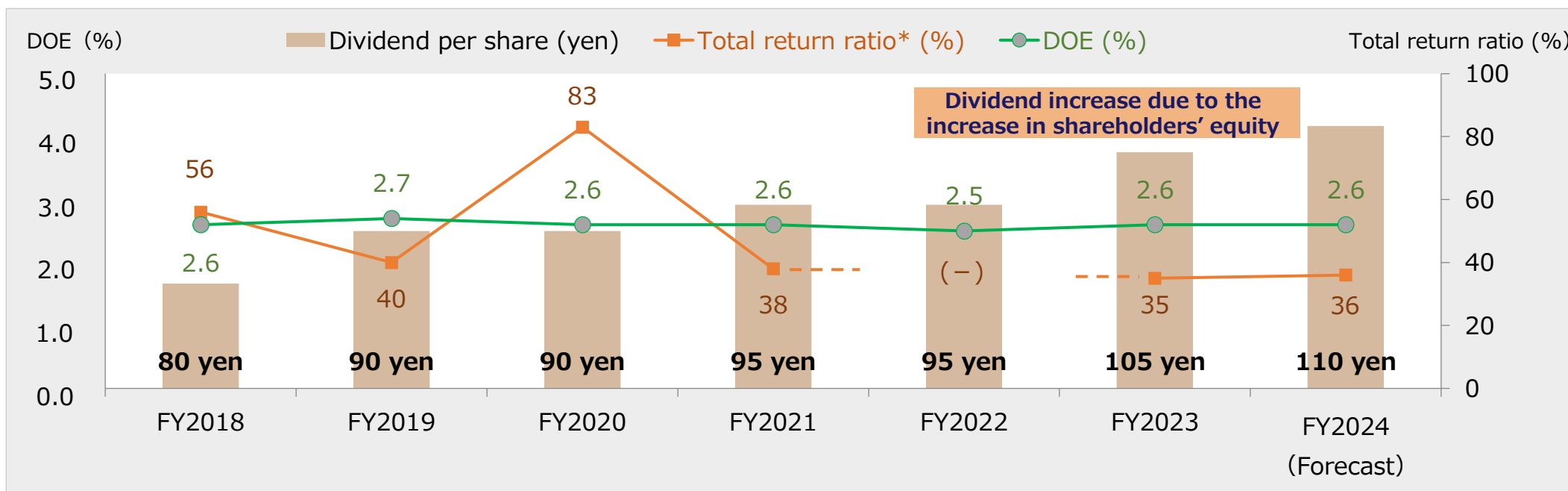




# Shareholder Returns

- UBE's basic policy is to continue to pay consistent dividends.
- UBE strives to further enhance shareholder returns in the future, while growing profits and shareholders' equity through aggressive capital investment.

**Dividend on equity (DOE) 2.5% or above**  
**Consolidated total return ratio 30% or higher (average over three years)**



\*Total return ratio: Includes share repurchases (¥10 billion in FY2018 and ¥10 billion in FY2020, (implemented in FY2021)).

# Quarterly Factors Causing Fluctuation in Profits/Losses

Quarter	Segment	Factor
Q1	Polymers & Chemicals	Regular maintenance and repairs conducted at the ammonia plant (Ube area) in even-numbered years have a negative impact on operating profit of the industrial chemicals business.
	Company-wide	Regular maintenance and repairs conducted at the private power plant (Ube area) in even-numbered years have a negative impact on the company's operating profit.
Latter half of Q2 through Q3	Polymers & Chemicals	Sales volume of caprolactam, a raw material for nylon, increases due to demand for fall and winter apparel. This has a positive impact on the operating profit of the caprolactam business.
Q4	Polymers & Chemicals	Annual maintenance and repairs conducted at the synthetic rubber plant (Chiba area) have a negative impact on the operating profit of the elastomer business.
	Machinery	Sales and profits are recorded mainly in the fourth quarter. This has a positive impact on the operating profit of the molding and industrial machines businesses.

- **UBE Corporation**

- **Announcement of 3rd quarter FY2024 Financial Results**

- **February 5, 2025 15:30**

- **3rd quarter FY2024 Financial Results Briefing**

- **February 5, 2025 18:00 – 18:45**

- **Mitsubishi UBE Cement Corporation**

- **1st Half FY2024 Financial Results Briefing**

- **November 19, 2024 16:00 – 16:40**

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

# UBE *Transform Tomorrow Today*

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 2024 UBE Corporation All Rights Reserved