

Consolidated Financial Report for the Fiscal Year Ended March 31, 2023

May 12, 2023

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 Tokyo Stock Exchange and Fukuoka
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(Amounts rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023

(From April 1, 2022 to March 31, 2023)

(1) Consolidated Operating Results

(% indicates the rate of increase / decrease to the same period of previous year)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
April 2022 – March 2023	494,738 (24.5)%	16,290 (63.0)%	(8,689) -	(7,006) -
April 2021 – March 2022	655,265 -	44,038 70.0%	41,549 78.4%	24,500 6.8%

(Note) Comprehensive Income: From April 1, 2022 to March 31, 2023: 1,838 Million Yen (94.2)%
 From April 1, 2021 to March 31, 2022: 31,637 Million Yen (11.1)%

	Net income per share (Yen)	Diluted net income per share (Yen)	Return on equity (%)	Ordinary profit to total assets (%)	Operating profit to net sales (%)
April 2022 – March 2023	(72.25)	-	(1.9)	(1.1)	3.3
April 2021 – March 2022	249.31	248.56	6.7	5.2	6.7

(Reference) Share of profit of entities accounted for using equity method: From April 1, 2022 to March 31, 2023: (23,115) Million Yen
 From April 1, 2021 to March 31, 2022: (1,942) Million Yen

(Note) The Corporate Group has adopted the “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan Statement No. 29, March 31, 2020) since the beginning of the consolidated first quarter of the fiscal year ending March 31, 2022. The rate of increase and decrease in net sales compared with the previous fiscal year is not indicated, because the respective figures reported in the consolidated financial results for the fiscal year ended March 31, 2021 were not applied retroactively.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio (%)	Shareholders' equity per share (Yen)
March 31, 2023	731,636	381,659	49.4	3,726.68
March 31, 2022	837,954	394,035	44.1	3,813.16

(Reference) Shareholders' equity: As of March 31, 2023: 361,639 Million Yen
 As of March 31, 2022: 369,142 Million Yen

[Shareholders' equity = Net assets – Share acquisition rights – Non-controlling interests]

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
April 2022 – March 2023	18,127	(26,019)	2,443	30,703
April 2021 – March 2022	32,711	(43,373)	8,371	78,761

2. Cash Dividends

	Cash dividends per share (Yen)					Total dividends paid (Annual)	Dividend payout ratio (Consolidated) (%)	Dividend on net assets ratio (Consolidated) (%)
	First quarter	Second quarter	Third quarter	Year end	Annual			
April 2021 – March 2022	-	45.00	-	50.00	95.00	9,233	38.1	2.6
April 2022 – March 2023	-	50.00	-	45.00	95.00	9,218	-	2.5
April 2023 – March 2024 (Forecast)	-	50.00	-	50.00	100.00		35.3	

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2024

(From April 1, 2023 to March 31, 2024)

(% indicates the rate of increase / decrease to the same period of previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share(Yen)
April 2023 – September 2023	259,000	5.8%	9,000	5.6%	12,000	-	7,500	-	77.29
April 2023 – March 2024	545,000	10.2%	30,000	84.2%	38,500	-	27,500	-	283.39

(Notes)

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2023: Yes

Exclusion: 2 subsidiaries to be followed:

UBE Advanced Materials Inc.

Advanced Electrolyte Technologies LLC

(Note) For more details, please refer to “7. Consolidated Financial Statements (5) Notes to Consolidated Financial Statements (Changes in significant subsidiaries during the Fiscal Year Ended March 31, 2023)”.

(2) Changes in accounting policies applied, changes in accounting estimates and retrospective restatement

Changes in accounting policies applied due to revisions of accounting standards: Yes

Changes in accounting policies other than the above: No

Changes in accounting estimates: Yes

Retrospective restatement: No

(Note) For more details, please refer to “7. Consolidated Financial Statements (5) Notes to Consolidated Financial Statements (Changes in accounting policies)”.

(3) Number of shares outstanding (common stock)

	March 31, 2023	March 31, 2022
Numbers of shares outstanding at period end	106,200,107	106,200,107
Numbers of shares of treasury stock at period end	9,159,538	9,392,743

	April 2022 – March 2023	April 2021 – March 2022
Weighted-average number of shares outstanding during period	96,970,744	98,272,392

(Reference) Overview of Non-Consolidated Financial Results

(Amounts rounded down to the nearest million yen)

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2023
(From April 1, 2022 to March 31, 2023)

(1) Non-Consolidated Operating Results (% indicates the rate of increase / decrease to the same period of previous year)

	Net sales		Operating profit		Ordinary profit		Net income	
April 2022 – March 2023	182,370	(33.6)%	10,635	(26.4)%	23,720	(15.5)%	19,107	(10.6)%
April 2021 – March 2022	274,828	-	14,443	81.6%	28,059	107.3%	21,362	59.6%

	Net income per share (Yen)	Diluted net income per share (Yen)
April 2022 – March 2023	197.04	196.82
April 2021 – March 2022	217.38	216.72

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio (%)	Shareholders' equity per share (Yen)
March 31, 2023	450,561	193,824	43.0	1,996.63
March 31, 2022	485,417	184,119	37.8	1,896.64

(Reference) Shareholders' equity: As of March 31, 2023: 193,754 Million Yen

As of March 31, 2022: 183,608 Million Yen

[Shareholders' equity = Net assets – Share acquisition rights]

(Note) The Corporate Group has adopted the "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan Statement No. 29, March 31, 2020) since the beginning of the consolidated first quarter of the fiscal year ending March 31, 2022. The rate of increase and decrease in net sales compared with the previous fiscal year is not indicated, because the respective figures reported in the consolidated financial results for the fiscal year ended March 31, 2021 were not applied retroactively.

(Information regarding review procedures)

The financial information contained in this report is not subject to review procedures by independent auditors.

(Cautionary statement on forward-looking statements)

The description about the future in this document and the supplementary material, including the forecast of financial results, is based on certain assumptions that the Company Group considered reasonable as of the published date of this release and is not intended as a guarantee that the Company Group will achieve these targets. In addition, the actual results may differ materially from those projected herein depending on various factors. For assumptions used to project the financial results and instructions to use the projected financial results, please see the "(5) Forecast for the next Fiscal Year (April 1, 2023 to March 31, 2024)" on page 7.

4. Qualitative Information on Operating Results

(1) Overview of Operating Results

Overview

During the current term, net sales of the Company Group decreased: although sales in the Specialty Products Segment remained stable and sales prices in the Polymers & Chemicals Segment rose thanks to strong market prices, the transformation of cement-related business to an equity-method affiliate significantly affected the overall performance.

Operating profit decreased, because price rising of raw materials and fuel as well as a decrease in sales volume resulted from weak demand had a significant negative impact in the Polymers & Chemicals Segment, in addition to the biennial inspection of the ammonia product factory.

The Company Group reported ordinary loss, because share of profit of entities accounted for using equity method declined significantly due to a strong impact that sharp price rising of coal had on the cement-related business, which had transformed to an equity-method affiliate.

Loss attributable to owners of parent was reported despite gain on change in equity for the reason of the separation of the cement-related business, because ordinary loss significantly affected the overall performance.

As a result, the Company Group reports its consolidated results during the current term as follows:

(Billions of yen)

Item	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
April 2022– March 2023 ①	494.7	16.3	(8.7)	(7.0)
April 2021– March 2022 ②	655.3	44.0	41.5	24.5
Difference ① - ②	(160.5)	(27.7)	(50.2)	(31.5)
Percentage change	(24.5)%	(63.0)%	—	—

Overview by Segment

(Billions of yen)

Segment	April 2022 – March 2023 ①	April 2021 – March 2022 ②	Difference ① – ②	Percentage Change
Specialty Products	62.2	60.8	1.4	2.3%
Polymers & Chemicals	293.4	260.0	33.3	12.8%
Machinery	96.9	97.0	(0.1)	(0.1)%
Others	73.1	54.2	18.9	34.8%
Adjustment	(30.8)	183.2	(214.0)	—
Total	494.7	655.3	(160.5)	(24.5)%

(Billions of yen)

Segment	April 2022 – March 2023 ①	April 2021 – March 2022 ②	Difference ① – ②	Percentage Change
Specialty Products	10.5	11.6	(1.2)	(10.0)%
Polymers & Chemicals	2.4	23.5	(21.1)	(89.7)%
Machinery	5.2	5.1	0.1	1.7%
Others	2.6	3.5	(0.9)	(25.5)%
Adjustment	(4.5)	0.2	(4.7)	—
Total	16.3	44.0	(27.7)	(63.0)%

(Note) Adjustment includes corporate expenses (general expenses that are not distributed to each reportable segment) and internal transactions between the segments.

Adjustment in the previous period includes the figures of the cement-related business that had been separated and transferred to Mitsubishi UBE Cement Group.

Specialty Products – Increase in net sales and decrease in operating profit

The Polyimide Business recorded a net sales decrease because of negative impact of inventory adjustments of the COF films for displays, although sales of varnish used on organic EL panels remained stable.

The Separation Membrane Business recorded an increase in net sales thanks to the continued stable demand for its products, particularly those relating to biogas.

The Ceramics Business recorded an increase in net sales thanks to strong demand for bearing and the products used on substrates.

The Separators Business recorded a decrease in net sales due to the negative impact of production reduction in the automobile industry that was mainly resulted from shortage of semiconductors.

The Specialty Products Segment as a whole recorded an increase in net sales and a decrease in operating profit: while demand for separation membranes and ceramics remained strong, the performance of the Polyimide Film Business was affected by inventory adjustment, and the Separators Business was negatively influenced by production reduction in the automobile industry.

Polymers & Chemicals – Increase in net sales and decrease in operating profit

■ Performance Polymers & Chemicals Business

The Composites Business recorded a sales increase despite affected by the production reduction in the automobile industry, because of sales price rising supported by price increases in raw materials such as caprolactam.

Net sales of the Nylon Polymer Business were almost same with the previous fiscal year despite sales price increases mainly resulted from rising market price of caprolactam, because demand for products such as nylon film for food packaging was weak.

The Caprolactam & Ammonium Sulfate Business recorded a net sales increase because of a higher selling price resulted from higher market prices for raw materials such as benzene and ammonium.

The Industrial Chemicals Business recorded a net sales increase although a decrease in shipment volume resulted from the biennial inspection of the ammonia product factory, sales price of the products rose thanks to higher market prices of raw materials.

The Fine Chemicals Business recorded a sales increase, because sales prices rose due to rising prices of raw materials with market conditions.

■ The Elastomer Business recorded an increase in net sales, because the product prices rose thanks to higher market prices of raw materials such as butadiene.

■ As a whole, net sales increased, but operating profit decreased in the Polymers & Chemicals Segment: while sales prices rose, rising of raw materials and fuel prices as well as a decrease in sales volume resulted from weak demand had a significant negative impact, in addition to the biennial inspection of the ammonia product factory.

Machinery – Decrease in net sales and increase in operating profit

The Molding Machine Business recorded an increase in net sales, because sales increased as demand from the automobile industry recovered.

The Industrial Machines Business recorded a decrease in net sales, because a series of big projects to supply conveyors used in the electric power industry were completed.

The Steel Products Business recorded an increase in net sales due to rising product prices mainly resulted from price rising of raw materials.

In the Machinery Segment, both net sales and operating profit were almost same with the previous fiscal year as a whole, because a decrease in net sales of the Industrial Machines Business was offset mainly by a sales increase of the molding machines and sales price rising of the steel products.

Others – Increase in net sales and decrease in operating profit

The Pharmaceutical Business recorded a net sales increase despite a decrease in royalty revenues, mainly because of positive impact by acquisition of a Contract Drug Development and Manufacturing Organization (API Corporation) in December 2022.

The Power Producer Business recorded an increase in net sales, because power supply to the Cement-Related Business was recorded as gained sales and the prices also rose.

The Others Segment as a whole recorded an increase in net sales and a decrease in operating profit: although some factors such as a price rise of sold electric power contributed to the overall performance, a decrease in royalty revenues of the Pharmaceutical Business had a great negative impact on the overall segment.

Cement-Related Business (Equity-Method Affiliate “Mitsubishi UBE Cement Corporation”)

While the demand for cement was in a trend of gradual decrease in the domestic market, sales volume of the Company Group remained at the same level with the previous fiscal year.

On the other hand, the business was heavily affected by rising of energy prices including coal price. Demand for cement and ready-mixed concrete in the overseas market (North America) continued to be strong.

(2) Overview of Financial Condition

Total Assets

Total assets decreased by 106.3 billion yen or 12.7% compared to the end of the previous fiscal year, to 731.6 billion yen, influenced by the transformation of cement-related business to an equity-method affiliate.

Current assets decreased by 111.7 billion yen or 28.3% to 283.0 billion yen as cash and deposits, and notes and accounts receivable - trade decreased respectively.

Non-current assets increased by 5.3 billion yen or 1.2% to 448.5 billion yen because investment securities increased, while property, plant and equipment decreased.

Deferred assets increased by 16 million yen to 149 million yen as bond issuance costs increased.

Liabilities

Liabilities decreased by 93.9 billion yen or 21.2% compared to the end of the previous fiscal year, to 350.0 billion yen, impacted by the transformation of cement-related business to an equity-method affiliate. The balance of interest-bearing debt at the end of the term decreased by 23.7 billion yen or 9.8% to 218.1 billion yen.

Current liabilities decreased by 78.0 billion yen or 31.3% to 171.2 billion yen as notes and accounts payable – trade and commercial papers decreased respectively.

Non-current liabilities decreased by 15.9 billion yen or 8.2% to 178.8 billion yen, resulted mainly from a decrease in long-term borrowings despite an increase in bonds payable.

Net assets

Net assets decreased by 12.4 billion yen or 3.1% compared to the end of the previous fiscal year, to 381.7 billion yen.

Shareholders' equity decreased by 16.4 billion yen or 4.7% to 335.1 billion yen as retained earnings decreased due to dividends paid of 9.7 billion yen and loss attributable to owners of parent of 7.1 billion yen.

Accumulated other comprehensive income increased by 8.9 billion yen or 50.8% to 26.5 billion yen because of an increase in foreign currency translation adjustment.

Non-controlling interests decreased by 4.4 billion yen or 18.2% to 19.9 billion yen.

As a result, equity ratio increased by 5.3 to 49.4% compared to the end of the previous fiscal year.

(3) Overview of cash flow

Cash flows from operating activities

Net cash provided by operating activities decreased by 14.6 billion yen compared to the previous term, and totaled 18.1 billion yen. This is mainly because loss before income taxes for the year was recorded even though working capital was improved.

Cash flows from investing activities

Net cash used in investment activities decreased by 17.4 billion yen compared to the previous term, and totaled 26.0 billion yen, which was mainly comprised of increased proceeds from collections of loans receivable and decreased expenditures for purchases of property, plant and equipment and intangible assets.

Cash flows from financing activities

Net cash provided in financing activities decreased by 5.9 billion yen from the previous term, and totaled 2.4 billion yen, which was mainly comprised of decreased proceeds from increases and decreases of interest-bearing debt, while expenditures for purchases of treasury stock decreased.

As the result, cash and cash equivalents decreased by 48.1 billion yen or 61%, including effect of exchange rate change on cash and cash equivalents, compared to the end of the previous fiscal year to 30.7 billion yen, because a decrease due to transformation of the Cement-related business to an equity-method affiliate had some negative impact.

(4) Basic policy on profit-sharing and dividends for the current and the next term

We have a basic policy to pay the dividends stably and corresponding to the business performance and to buy back of shares in a flexible manner. It is also important for us to accumulate sufficient internal reserves to strengthen our financial standings and expand our business further. Considering the above policy in a comprehensive manner, we develop the proposal for the stock dividends to be resolved at the general meeting of shareholders.

In the medium-term management plan "UBE Vision 2030 Transformation — 1st Stage," of which the term starts from FY2022, we set the goal to achieve DOE (dividend on equity ratio) of 2.5% or above. In addition, the goal of consolidated total return ratio, which shows the ratio of the dividends and acquisition of treasury shares combined together to equity, is set at 30% or above of profit attributable to owners of parent on a three-year-average. The

Company Group paid the interim dividends of 50 yen per share in the current term and is currently planning to pay the year-end dividends of 45 yen per share.

For the next term, we plan to pay total annual dividends of 100 yen per share, broken up into interim dividends of 50 yen per share and year-end dividends of 50 yen per share.

(5) Forecast for the next Fiscal Year (April 1, 2023 to March 31, 2024)

On the assumption that the dollar-yen exchange rate would hover at a level of 130 yen /dollar and the prices of domestic product naphtha and Australian coal would be respectively around 68,900 yen per 1kl and 224.0 dollar per ton, from April 1, 2023 through March 31, 2024, we forecast the earnings as follows.

Net sales is expected to increase for the reason of demand recovery mainly in the Polymers & Chemicals Segment. Operating profit is expected to increase for the reasons of continued strong performance in the Specialty Products Segment, as well as recovery of demand and a certain level of price decline of raw materials and fuels in the Polymers & Chemicals Segment. The Company Group forecasts that ordinary profit and profit attributable to owners of parent will be increased, due to an expected significant increase in share of profit of entities accounted for using equity method, because business performance of the cement-related business, which had been transformed to an equity-method affiliate, is expected to recover, in addition to an expected increase in operating profit.

Item	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
April 2023 – March 2024 ①	545.0	30.0	38.5	27.5
April 2022 – March 2023 ②	494.7	16.3	(8.7)	(7.0)
Difference ① - ②	50.3	13.7	47.2	34.5
Percentage change	10.2%	84.2%	—	—

Overview by Segment

Net sales				
Segment	April 2023– March 2024 ①	April 2022 – March 2023 ②	Difference ① – ②	Percentage change
Specialty Products	71.5	62.2	9.3	15.0%
Polymers & Chemicals	313.0	293.4	19.6	6.7%
Machinery	108.5	96.9	11.6	11.9%
Others	88.5	73.1	15.4	21.1%
Adjustment	(36.5)	(30.8)	(5.7)	—
Total	545.0	494.7	50.3	10.2%

Operating profit				
Segment	April 2023 – March 2024 ①	April 2022 – March 2023 ②	Difference ① – ②	Percentage change
Specialty Products	12.5	10.5	2.0	19.5%
Polymers & Chemicals	12.0	2.4	9.6	394.6%
Machinery	6.0	5.2	0.8	15.1%
Others	3.5	2.6	0.9	32.4%
Adjustment	(4.0)	(4.5)	0.5	—
Total	30.0	16.3	13.7	84.2%

(Note) Adjustment includes corporate expenses (general expenses that are not distributed to each reportable segment) and internal transactions between the segments.

5. Management policy

(1) Basic policy for management of the Company

In order to achieve our transformation goal in the future, which is defined in “UBE Vision 2030 Transformation,” the Company Group implemented a three-year medium-term management plan “UBE Vision 2030 Transformation—1st Stage,” a concrete action plan that will be in effect from FY2022 up through FY 2024 and set the following basic policy and numeric targets.

◆Vision for 2030

A corporate group centered on specialty chemicals that contributes to the global environment, human health, and an enriched future society

Pursuing the achievement of the vision for the future, we will shift to a business structure focused on specialty chemical products that have a “low energy burden,” are “resistant to swings in market conditions,” and are “highly profitable.” Implementing the policies for transformation of business structure, promotion of energy saving activities, and process improvements, we will strive to achieve the goals about reduction of GHG emissions and contribute to the realization of a sustainable society by promoting the development and practical application of environmentally friendly products and technologies.

◆Basic policy

- i) Pursuing global profit growth driven by specialty chemicals
- ii) Structural changes in response to global environmental issues
- iii) Enhancing human capital for sustainable growth
- iv) Enhancing corporate value and creating customer value by promoting DX
- v) Further improving governance

◆Numeric targets

< Key Figures >		< Key Indicators >	
	Target for FY 2024		Target for FY 2024
Operating profit	40.0 billions of yen Of which, specialty business: 24.0 billions of yen	Return on sales – ROS	8.0%
Ordinary profit	47.0 billions of yen	Return on equity – ROE	8.0%

(Note) We used the provisional figure of 8 billion yen for share of profit of entities accounted for using equity method from Ube-Mitsubishi Cement Group. It had been assumed prior to establishment of the said group.

(2) Challenges that the Company should address

We reported consolidated net loss due to negative impact by sluggish demand and price rising of raw materials and fuels in the Nylon Polymer, Caprolactam and Cement-related businesses. However, we will implement structural changes with a strong focus on shifting to specialization and on tackling global environmental issues, under the basic policies of the medium-term management plan, in order to bring back the company's business performance and strengthen the earnings base. Moreover, we will also aggressively invest management resources in the “specialty businesses” that create high added value and achieve high profitability by leveraging the Group's core technologies and strengths in the value chain, to achieve further growth in the future.

In addition, we regard diversity, equity, and inclusion as a top priority issue for enhancement in our human resources. We will improve operational efficiency and accelerate the creation of new customer value by focusing on improvement in work engagement, fostering company culture of being willing to challenge, and promoting DX.

As a specialty chemicals corporate group that made a fresh start, we will achieve sustainable growth globally, and will, in the Machinery and Cement-related businesses, strengthen the management as a holding company, maximizing the corporate value of the Company Group.

6. Basic policy on adoption of accounting standard

Considering comparability of consolidated financial statements in terms of the covered periods and respective companies, the Company Group has a policy to prepare consolidated financial statement based on the Japanese accounting standard.

In regard to adoption of the international accounting standard, we will make appropriate response with consideration to internal and external circumstances at the time.

7. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	79,492	31,175
Notes receivable - trade	18,090	5,309
Accounts receivable - trade	137,518	96,256
Contract assets	15,750	5,433
Merchandise and finished goods	53,576	56,754
Work in process	21,131	23,881
Raw materials and supplies	50,002	46,373
Other	19,389	17,944
Allowance for doubtful accounts	(259)	(109)
Total current assets	394,689	283,016
Non-current assets		
Property, plant and equipment		
Buildings and structures	286,028	152,227
Accumulated depreciation and impairment	(195,086)	(101,072)
Buildings and structures, net	90,942	51,155
Machinery, equipment and vehicles	708,197	493,888
Accumulated depreciation and impairment	(571,809)	(399,362)
Machinery, equipment and vehicles, net	136,388	94,526
Land	75,816	36,701
Leased assets	7,157	5,330
Accumulated depreciation and impairment	(2,431)	(1,756)
Leased assets, net	4,726	3,574
Construction in progress	14,113	12,357
Other	45,798	40,943
Accumulated depreciation and impairment	(35,026)	(31,229)
Other, net	10,772	9,714
Total property, plant and equipment	332,757	208,027
Intangible assets		
Leased assets	514	574
Goodwill	857	2,952
Other	7,170	4,248
Total intangible assets	8,541	7,774
Investments and other assets		
Investment securities	61,808	198,393
Long-term loans receivable	303	139
Retirement benefit asset	10,382	11,009
Deferred tax assets	16,452	14,853
Other	13,429	8,539
Allowance for doubtful accounts	(540)	(263)
Total investments and other assets	101,834	232,670
Total non-current assets	443,132	448,471
Deferred assets		
Bond issuance costs	133	149
Total deferred assets	133	149
Total assets	837,954	731,636

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	110,766	69,241
Short-term borrowings	44,506	55,137
Commercial papers	17,000	3,000
Current portion of bonds payable	10,000	—
Lease liabilities	802	553
Accounts payable - other	34,292	20,199
Income taxes payable	5,890	1,528
Contract liabilities	6,595	9,078
Provision for bonuses	6,951	5,258
Provision for loss on orders received	321	433
Other	12,051	6,732
Total current liabilities	249,174	171,159
Non-current liabilities		
Bonds payable	50,000	60,000
Long-term borrowings	114,670	95,520
Lease liabilities	4,834	3,933
Deferred tax liabilities	1,932	1,013
Provision for retirement benefits for directors (and other officers)	422	196
Provision for special repairs	3,084	1,312
Provision for loss on business restructuring	109	519
Retirement benefit liability	7,292	7,219
Asset retirement obligations	2,234	1,199
Other	10,168	7,907
Total non-current liabilities	194,745	178,818
Total liabilities	443,919	349,977
Net assets		
Shareholders' equity		
Share capital	58,435	58,435
Capital surplus	40,623	40,371
Retained earnings	274,725	257,985
Treasury shares	(22,234)	(21,676)
Total shareholders' equity	351,549	335,115
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,680	2,698
Deferred gains or losses on hedges	(70)	(143)
Foreign currency translation adjustment	13,218	23,740
Remeasurements of defined benefit plans	765	229
Total accumulated other comprehensive income	17,593	26,524
Share acquisition rights	510	71
Non-controlling interests	24,383	19,949
Total net assets	394,035	381,659
Total liabilities and net assets	837,954	731,636

(2) Consolidated Statements of Income / Consolidated Statements of Comprehensive Income

· Consolidated Statements of Income

(Millions of yen)

	April 1, 2021 – March 31, 2022	April 1, 2022 – March 31, 2023
Net sales	655,265	494,738
Cost of sales	527,346	412,134
Gross profit	127,919	82,604
Selling, general and administrative expenses	83,881	66,314
Operating profit	44,038	16,290
Non-operating income		
Interest income	244	101
Dividend income	1,003	1,347
Rental income	1,135	835
Amortization of negative goodwill	52	—
Foreign exchange gains	1,666	517
Subsidy income	375	225
Compensation income	—	543
Other	1,314	778
Total non-operating income	5,789	4,346
Non-operating expenses		
Interest expenses	898	780
Rental expenses	619	515
Share of loss of entities accounted for using equity method	1,942	23,115
Other	4,819	4,915
Total non-operating expenses	8,278	29,325
Ordinary profit (loss)	41,549	(8,689)
Extraordinary income		
Gain on sale of non-current assets	98	346
Gain on sale of investment securities	367	337
Gain on change in equity	—	8,265
Gain on extinguishment of tie-in shares	45	—
Gain on liquidation of subsidiaries and associates	—	1,180
Gain on termination of retirement benefit plan	—	245
Other	186	—
Total extraordinary income	696	10,373
Extraordinary losses		
Loss on disposal of non-current assets	691	982
Loss on sale of investment securities	—	1,154
Impairment losses	771	1,350
Loss on valuation of investment securities	13	338
Provision for loss over investment cost of subsidiaries and affiliates	2,426	456
Contribution for industrial water weight loss	1,550	—
Total extraordinary losses	5,451	4,280
Profit (loss) before income taxes	36,794	(2,596)
Income taxes - current	9,593	3,864
Income taxes - deferred	1,355	1,669
Total income taxes	10,948	5,533
Profit (loss)	25,846	(8,129)
Profit (loss) attributable to non-controlling interests	1,346	(1,123)
Profit (loss) attributable to owners of parent	24,500	(7,006)

• Consolidated Statements of Comprehensive Income

(Millions of yen)

	April 1, 2021 – March 31, 2022	April 1, 2022 – March 31, 2023
Profit (loss)	25,846	(8,129)
Other comprehensive income		
Valuation difference on available-for-sale securities	(390)	(38)
Deferred gains or losses on hedges	(73)	32
Foreign currency translation adjustment	5,694	7,142
Remeasurements of defined benefit plans, net of tax	33	(1,222)
Share of other comprehensive income of entities accounted for using equity method	527	4,053
Total other comprehensive income	5,791	9,967
Comprehensive income	31,637	1,838
Comprehensive income attributable to owners of parent	29,600	1,925
Comprehensive income attributable to non-controlling interests	2,037	(87)

(3) Consolidated Statements of Changes in Net Assets

· For the fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the year	58,435	40,659	259,806	(12,380)	346,520
Cumulative effects of changes in accounting policies			(648)		(648)
Restated balance	58,435	40,659	259,158	(12,380)	345,872
Changes during the year					
Cash dividends			(8,944)		(8,944)
Profit attributable to owners of parent			24,500		24,500
Purchase of treasury stock				(10,006)	(10,006)
Disposal of treasury stock		(34)		152	118
Increase by merger			11		11
Purchase of shares of consolidated subsidiaries		(2)			(2)
Net changes of items other than shareholders' equity					
Total changes during the year	-	(36)	15,567	(9,854)	5,677
Balance at the end of the year	58,435	40,623	274,725	(22,234)	351,549

(Millions of yen)

	Accumulated Other Comprehensive Income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the year	4,080	3	7,720	690	12,493	547	21,075	380,635
Cumulative effects of changes in accounting policies								(648)
Restated balance	4,080	3	7,720	690	12,493	547	21,075	379,987
Changes during the year								
Cash dividends								(8,944)
Profit attributable to owners of parent								24,500
Purchase of treasury stock								(10,006)
Disposal of treasury stock								118
Increase by merger								11
Purchase of shares of consolidated subsidiaries								(2)
Net changes of items other than shareholders' equity	(400)	(73)	5,498	75	5,100	(37)	3,308	8,371
Total changes during the year	(400)	(73)	5,498	75	5,100	(37)	3,308	14,048
Balance at the end of the year	3,680	(70)	13,218	765	17,593	510	24,383	394,035

• For the fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the year	58,435	40,623	274,725	(22,234)	351,549
Changes during the year					
Cash dividends			(9,692)		(9,692)
Loss attributable to owners of parent			(7,006)		(7,006)
Purchase of treasury stock				(38)	(38)
Disposal of treasury stock		(93)		596	503
Purchase of shares of consolidated subsidiaries		(135)			(135)
Effect of changes in accounting period of consolidated subsidiaries			(33)		(33)
Effect of corporate spin-off		(24)	(9)		(33)
Net changes of items other than shareholders' equity					
Total changes during the year	-	(252)	(16,740)	558	(16,434)
Balance at the end of the year	58,435	40,371	257,985	(21,676)	335,115

(Millions of yen)

	Accumulated Other Comprehensive Income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the year	3,680	(70)	13,218	765	17,593	510	24,383	394,035
Changes during the year								
Cash dividends								(9,692)
Loss attributable to owners of parent								(7,006)
Purchase of treasury stock								(38)
Disposal of treasury stock								503
Purchase of shares of consolidated subsidiaries								(135)
Effect of changes in accounting period of consolidated subsidiaries								(33)
Effect of corporate spin-off								(33)
Net changes of items other than shareholders' equity	(982)	(73)	10,522	(536)	8,931	(439)	(4,434)	4,058
Total changes during the year	(982)	(73)	10,522	(536)	8,931	(439)	(4,434)	(12,376)
Balance at the end of the year	2,698	(143)	23,740	229	26,524	71	19,949	381,659

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	April 1, 2021 – March 31, 2022	April 1, 2022 – March 31, 2023
Cash flows from operating activities		
Profit (loss) before income taxes	36,794	(2,596)
Depreciation and amortization	36,506	25,412
Impairment losses	771	1,350
Loss on retirement of non-current assets	778	609
Amortization of goodwill	–	14
Amortization of negative goodwill	(52)	–
Interest and dividend income	(1,247)	(1,448)
Interest expenses	898	780
Share of loss (profit) of entities accounted for using equity method	1,942	23,115
Loss (gain) on sale of investment securities	(367)	817
Loss (gain) on valuation of investment securities	13	338
Loss (gain) on change in equity	–	(8,265)
Provision for loss over investment cost of subsidiaries and affiliates	2,426	456
Loss (gain) on sale of non-current assets	17	(343)
Subsidy income	(375)	(225)
Increase (decrease) in allowance for doubtful accounts	(240)	(21)
Increase(decrease) in defined benefit asset and liability	(781)	1,044
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(81)	(62)
Decrease (increase) in trade receivables	(21,204)	11,305
Decrease (increase) in inventories	(34,908)	(21,885)
Increase (decrease) in trade payables	15,609	(1,819)
Other, net	(852)	(6,881)
Subtotal	35,647	21,695
Interest and dividends received	2,610	5,497
Interest paid	(956)	(811)
Subsidies received	836	165
Income taxes paid	(5,426)	(8,419)
Net cash provided by (used in) operating activities	32,711	18,127
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(36,379)	(26,829)
Proceeds from sale of property, plant and equipment	398	394
Purchase of investment securities	(192)	(152)
Proceeds from sale of investment securities	995	594
Payments for investments in capital of subsidiaries and associates	(2,244)	(2,465)
Purchase of shares of subsidiaries and associates	(192)	(1,374)
Proceeds from sale of shares of subsidiaries and associates	78	817
Payment from sale of shares of subsidiaries and associates	–	(420)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(7,322)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(563)	–
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	315	2,350
Decrease (increase) in short-term loans receivable	(5,139)	8,245
Long-term loan advances	(115)	–
Proceeds from collection of long-term loans receivable	13	1
Other, net	(348)	142
Net cash provided by (used in) investing activities	(43,373)	(26,019)

	April 1, 2021 – March 31, 2022	April 1, 2022 – March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,262	19,466
Net increase (decrease) in commercial papers	17,000	(14,000)
Proceeds from long-term borrowings	34,720	23,497
Repayments of long-term borrowings	(16,024)	(14,065)
Proceeds from issuance of bonds	—	9,950
Redemption of bonds	(10,000)	(10,000)
Purchase of treasury shares	(10,006)	(38)
Proceeds from share issuance to non-controlling shareholders	2,279	—
Dividends paid	(8,923)	(9,667)
Dividends paid to non-controlling interests	(242)	(942)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(733)	(1,168)
Other, net	(962)	(590)
Net cash provided by (used in) financing activities	8,371	2,443
Effect of exchange rate change on cash and cash equivalents	1,349	658
Net increase (decrease) in cash and cash equivalents	(942)	(4,791)
Cash and cash equivalents at beginning of period	79,646	78,761
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	57	—
Decrease in cash and cash equivalents resulting from corporate spin-off	—	(43,267)
Cash and cash equivalents at end of period	78,761	30,703

(5) Notes to Consolidated Financial Statements

(Note to events and conditions which indicate there could be substantial doubt about going concern assumption)

None.

(Changes in significant subsidiaries during the Fiscal Year Ended March 31, 2023)

Liquidation process for both of UBE Advanced Materials Inc. and Advanced Electrolyte Technologies LLC were completed during the current term. Since these two companies were not categorized as specified subsidiaries, these companies were excluded from the scope of the consolidation.

(Changes in accounting policies)

(Application of "Implementation Guidance on Accounting Standard for Fair Value Measurement")

The "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Statement No.31, June 17, 2021) is applied from the first quarter of the fiscal year ending March 31, 2023. Based on the transitional treatment prescribed in Paragraph 27-2 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement", we have decided to apply the new accounting policies set forth by the "Implementation Guidance on Accounting Standard for Fair Value Measurement" into the future. These changes had no impact on the consolidated financial statements.

(Changes in Accounting Estimates)

(Actuarial differences in accounting for retirement benefit obligations and a change in the service period (years) used for the calculation of prior service cost)

In order to process the actuarial differences in accounting for retirement benefit obligations and a change in the service period (years) used for the calculation of the prior service cost, we had so far used the method in which we had calculated the cost by setting the actuarial difference as 10 to 14 years as a certain period of the average remaining years of service and applying 5 to 14 years for the calculation of the prior service cost. But, as the average remaining years of service fell below the above period, we changed the actuarial difference to 5 to 13 years and the period applied to calculation of prior service cost to 12 to 13 years.

The impact of these changes on the finance of the Company Group is minor.

(Segment Information)

1. Segment Information

(1) Summary of reportable segments

The reportable segments of UBE are defined as individual units, where separate financial information is available and which are subject to regular review by the Board of Directors of the Company to evaluate their results and decide the allocation of management resources.

The Company Group consolidated the segments of which products and services have similar economic characteristic and markets, and classified them into the reportable segments consisting of “Specialty Products,” “Polymers & Chemicals,” “Machinery” and “Others” segments.

Main products and services of each reportable segment are as follows;

Reportable segment	Main products and services
Specialty Products	Polyimide, Separation membrane, Ceramics, Separators, etc.
Polymers & Chemicals	Composite, Nylon polymer, Caprolactam, Ammonium sulfate, Industrial chemicals, Fine Chemicals, High-Performance Coating, Elastomer (Synthetic rubber), etc.
Machinery	Molding Machinery(Die Casting Machines, Extrusion Presses, and Injection Molding Machines), Industrial Machinery(Kiln, Chemical Equipment, Vertical mill, Bulk handling machine, Water screening equipment, Crushers), Bridges and Steel Structures and Steel Products(Billets, Casting), etc.
Others	Pharmaceuticals (APIs and intermediates), electric power supply business, leasing and control of real estate,etc.

As the Company Group revised segments in its medium-term management plan "UBE Vision 2030 Transformation—1st Stage" after it had transferred its cement business and the associated business to Mitsubishi UBE Cement Corporation in April 2022, its reported segment was changed from the previous four segments consisting of “Chemicals,” “Construction Materials,” “Machinery” and “Others” to the new four segments consisting of “Specialty Products,” “Polymers & Chemicals,” “Machinery” and “Others.”

For fair comparison over the same period last year, the segment information in the previous consolidated fiscal year is reported under the segmentation after the modification.

In addition, no net sales and segment profit (operating profit) in the Cement Business and Cement-Related Business that had been included in the “Construction Materials” Segment were reported during the current term. This is for the reason that Mitsubishi UBE Cement Corporation is Company Group’s equity-method affiliate, and as the result, share of losses of entities accounted for using equity method (non-operating expenses) of (24,646) million yen relating to the said business was reported.

(2) Calculation method of net sales, income or loss, assets, liabilities and other items by the reportable segment

The accounting method applied for the reportable segments is subject to the account policy adopted for preparation of consolidated financial statement.

Reportable segment profit consists of figures based on operating profit.

Intersegment sales or transfers are based on market prices.

(3) Information concerning Net Sales and Operating Profit or Loss, Assets, Liabilities and other items by Reportable Business Segment

For the Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reported segment					Adjustment (note 1)	Amount recorded in consolidated statements of income (note 2)
	Specialty Products	Polymers & Chemicals	Machinery	Others	Total		
Net sales							
External sales	47,694	233,921	95,579	64,191	441,385	213,880	655,265
Internal sales or transfers	13,093	26,123	1,408	(9,949)	30,675	(30,675)	—
Total	60,787	260,044	96,987	54,242	472,060	183,205	655,265
Segment profit (Operating profit)	11,627	23,516	5,130	3,548	43,821	217	44,038
Assets	71,719	273,568	89,397	56,346	491,030	346,924	837,954
Other items							
Depreciation and amortization (Note 3)	4,224	13,792	1,859	2,437	22,312	14,194	36,506
Investment in equity- method affiliates	5,624	24,983	—	2,750	33,357	7,937	41,294
Increase in property, plant and equipment and intangible assets (Note 4)	5,233	10,322	2,528	2,650	20,733	18,839	39,572

(Note 1) Adjustments are applied to the followings:

- i) Adjustment for external sales of 213,880 million yen is comprised of external sales to the Cement-related business.
 - ii) Adjustment for the internal sales or transfers of (30,675) million yen includes the amount for the inter-segment sales and transfers in Cement-related business of 1,663 million yen.
 - iii) 217 million yen for adjustment for Segment profit includes (244) million yen for the elimination of transaction between the Segments, 3,413 million yen for segment income of the cement-related business, and (2,952) million yen for company-wide cost that is not allocated to each reported Segment. Company-wide cost consists mainly of administration and general expense that is not attributed to each reported Segment.
 - iv) Adjustment for segment assets of 346,924 million yen includes assets of the Cement-related business of 289,165 million yen, eliminations of inter-segment receivables of (26,828) million yen, and corporate assets not belonging to specific segments of 84,587 million yen.
 - v) Adjustment for depreciation and amortization of 14,194 million yen includes depreciation and amortization cost of the Cement-related business of 12,160 million yen and depreciation and amortization cost of corporate assets not belonging to specific segments of 2,034 million yen.
 - vi) Adjustment for investment in equity-method affiliates of 7,937 million yen is the investment in the Cement-related business.
 - vii) Adjustment for increase in property, plant and equipment and intangible assets of 18,839 million yen includes an increase in the Cement-related business's assets of 16,445 million yen and an increase of corporate assets not belonging to specific segments of 2,394 million yen.
- (Note 2) Segment profit is adjusted with operating profit recorded in the consolidated financial statement.
 (Note 3) Depreciation and amortization includes amortization of long-term prepaid expenses.
 (Note 4) The increase in property, plant and equipment and intangible assets includes increases in long-term prepaid expenses.

For the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reported segment					Adjustment (note 1)	Amount recorded in consolidated statements of income (note 2)
	Specialty Products	Polymers & Chemicals	Machinery	Others	Total		
Net sales							
External sales	47,085	268,469	96,373	82,811	494,738	—	494,738
Internal sales or transfers	15,073	24,919	548	(9,701)	30,839	(30,839)	—
Total	62,158	293,388	96,921	73,110	525,577	(30,839)	494,738
Segment profit (Operating profit)	10,464	2,426	5,215	2,643	20,748	(4,458)	16,290
Assets	74,090	274,814	89,728	88,661	527,293	204,343	731,636
Other items							
Depreciation and amortization (Note 3)	4,073	14,397	2,007	2,921	23,398	2,014	25,412
Investment in equity- method affiliates	5,240	26,634	—	3,117	34,991	150,369	185,360
Increase in property, plant and equipment and intangible assets (Note 4)	4,874	10,514	1,684	8,639	25,711	3,578	29,289

(Note 1) Adjustments are applied to the followings:

i) (4,458) million yen for adjustment for Segment profit includes 271 million yen for the elimination of transaction between the Segments and (4,729) million yen for company-wide cost that is not allocated to each reported Segment. Company-wide cost consists mainly of administration and general expense that is not attributed to each reported Segment.

ii) Adjustment for segment assets of 204,343 million yen includes assets of the Cement-related business of 151,827 million yen, eliminations of inter-segment receivables of (37,105) million yen, and corporate assets not belonging to specific segments of 89,621 million yen.

iii) 2,014 million yen for adjustment for depreciation and amortization consists of depreciation and amortization of company-wide assets that is not attributed to each reported Segment.

iv) Adjustment for investment in equity-method affiliates of 150,369 million yen is investment in the Cement-related business.

v) 3,578 million yen for adjustment for the increase in property, plant and equipment and intangible assets consists of a company-wide assets increase that is not attributed to each reported Segment.

(Note 2) Segment profit is adjusted with operating profit recorded in the consolidated financial statement.

(Note 3) Depreciation and amortization includes amortization of long-term prepaid expenses.

(Note 4) The increase in property, plant and equipment and intangible assets includes increases in long-term prepaid expenses.

2. Related Information

For the Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(1) Information by product and service

This information is omitted, because the same information is provided in the Segment information section.

(2) Information by region

① Net sales

(Millions of yen)

Japan	Asia	Europe	Others	Total
415,238	137,951	57,355	44,721	655,265

(Note) The company classifies sales based on the location of the customer.

② Tangible assets

(Millions of yen)

Japan	Thailand	Spain	Others	Total
269,465	40,716	21,357	1,219	332,757

(3) Information by major customer

This information is omitted, because net sales to certain external customers account for less than 10% of net sales in consolidated income statement.

For the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Information by product and service

This information is omitted, because the same information is provided in the Segment information section.

(2) Information by region

① Net sales

(Millions of yen)

Japan	Asia	Europe	Others	Total
236,819	136,703	70,572	50,644	494,738

(Note) The company classifies sales based on the location of the customer.

② Tangible assets

(Millions of yen)

Japan	Thailand	Spain	Others	Total
143,270	41,027	22,455	1,275	208,027

(Change in presentation)

From this fiscal year, "Spain" is listed separately in tangible assets that had been included in the "Europe" section in the preceding consolidated fiscal year. In addition, the figures for "Other Asia" and "Europe" excluding Spain, both of which were separately listed in the preceding consolidated fiscal year, are listed collectively in the "Others" section. To reflect these changes in presentation method, we have made certain reclassifications to its consolidated financial statements for the preceding consolidated fiscal year.

As the result, 21,362 million yen formerly listed in the "Europe" section, 214 million yen formerly listed in the "Other Asia" and 1,000 million yen formerly listed in the "Others" section in the preceding consolidated fiscal year were reclassified to 21,357 million yen in the "Spain" section and 1,219 million yen in the "Others" section.

(3) Information by major customer

This information is omitted, because net sales to certain external customers account for less than 10% of net sales in consolidated income statement.

3. Information Concerning Impairment Loss of Fixed Assets by Reportable Segment
Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Specialty Products	Polymers & Chemicals	Machinery	Others	Company wide / elimination	Total
Impairment loss	662	—	—	—	109	771

(Note) The amount in the “Company wide / elimination” section consists of impairment losses relating to Cement-related business.

Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Specialty Products	Polymers & Chemicals	Machinery	Others	Company wide / elimination	Total
Impairment loss	175	812	5	82	276	1,350

(Note) The amount in the “Company wide / elimination” section consists of impairment losses relating to company-wide assets that are not attributed to each reported Segment.

4. Information about amortization of goodwill and balance of unamortized goodwill by reportable segment
Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Specialty Products	Polymers & Chemicals	Machinery	Others	Company wide / elimination	Total
Amortization of goodwill	—	175	22	—	—	197
Balance at the end of the term	—	1,220	71	—	—	1,291

Amortization of negative goodwill and unamortized balances arising from business combinations, etc. before April 1, 2010 are as follows:

(Millions of yen)

	Specialty Products	Polymers & Chemicals	Machinery	Others	Company wide / elimination	Total
Amortization of goodwill	221	—	—	—	28	249
Balance at the end of the term	331	—	—	—	103	434

(Note) The amount in the “Company wide / elimination” section consists of impairment losses relating to Cement-related business.

Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Specialty Products	Polymers & Chemicals	Machinery	Others	Company wide / elimination	Total
Amortization of goodwill	—	166	22	47	—	235
Balance at the end of the term	—	1,166	49	1,847	—	3,062

Amortization of negative goodwill and unamortized balances arising from business combinations, etc. before April 1, 2010 are as follows:

(Millions of yen)

	Specialty Products	Polymers & Chemicals	Machinery	Others	Company wide / elimination	Total
Amortization of goodwill	221	—	—	—	—	221
Balance at the end of the term	110	—	—	—	—	110

5. Information concerning gain on negative goodwill by reportable segment
Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

None.

Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

None.

(Information of per share)

	April 1, 2021 – March 31, 2022	April 1, 2022 – March 31, 2023
Shareholders' equity per share (Yen)	3,813.16	3,726.68
Net income or loss per share (Yen)	249.31	(72.25)
Diluted net income per share (Yen)	248.56	—

(Note) 1. Basis of calculation of net income or loss per share and diluted net income per share is as follows:

2. Diluted net income per share in the current term is not presented, because net income per share in the current term was negative although there are dilutive shares.

	April 1, 2021 – March 31, 2022	April 1, 2022 – March 31, 2023
Net income per share		
Profit or loss attributable to owners of parent (Millions of yen)	24,500	(7,006)
Profit or loss not attributable to shareholders of common stock (Millions of yen)	—	—
Profit or loss attributable to shareholders of common stock of parent (Millions of yen)	24,500	(7,006)
Weighted-average number of shares outstanding during period of common stock (Thousand shares)	98,272	96,970
Diluted net income per share		
Adjustments of profit attributable to owners of parent (Millions of yen)	—	—
Increase in the number of common shares (Thousand shares)	296	—
Share acquisition rights (Internal)	(296)	—
Descriptions of potentially dilutive common shares that were not included in the computation of diluted net income per share because of their anti-dilutive effect	—	—

(Material subsequent events)

None.

(Reference) Consolidated Key Indicators

(Billions of yen)

	April 2021 – March 2022	April 2022 – March 2023	April 2023 – March 2024 (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) *1	43.3	(5.4)	41.0
Interest-bearing debt	241.8	218.1	248.0
Shareholders' equity *2	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 (%) *3	6.7	3.3	5.5
Return on assets - ROA (%) *4	5.4	(0.7)	5.4
Return on equity - ROE (%) *5	6.7	(1.9)	7.4
Number of employees	9,849	8,028	8,150

*1 Adjusted operating profit (loss): Operating profit + Interest and dividend income + Share of profit (loss) of entities accounted for using equity method

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

*3 ROS: Operating profit / Net sales

*4 ROA: Adjusted operating profit (loss) / Average total assets

*5 ROE: Profit (loss) attributable to owners of parent / Average shareholders' equity