Consolidated Financial Report for the Fiscal Year Ended March 31, 2022

May 12, 2022

Company name: UBE Corporation
Representative: Masato Izumihara, President and Representative Director
Security code: 4208 (shares listed on Prime Section of Tokyo Stock Exchange and Fukuoka Stock Exchange)
URL: https://www.ube.co.jp/
Contact: Hirotaka Ishikawa, General Manager, Accounting & Finance Department
Tel: +81-3-5419-6130

(Amounts rounded to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022

(From April 1, 2021 to March 31, 2022)

(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 2021 – March 2022	655,265	-	44,038	70.0%	41,549	78.4%	24,500	6.8%
April 2020 – March 2021	613,889	(8.1)%	25,902	(23.9)%	23,293	(34.8)%	22,936	(0.2)%

(Note) Comprehensive Income: From April 1, 2021 to March 31, 2022: 31,637 Million Yen (11.1)%
From April 1, 2020 to March 31, 2021: 35,598 Million Yen 146.5%

	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 2021– March 2022	249.31	248.56	6.7	5.2	6.7
April 2020 – March 2021	226.79	226.14	6.6	3.1	4.2

(Reference) Share of profit of entities accounted for using equity method: From April 1, 2021 to March 31, 2022: (1,942) Million Yen
From April 1, 2020 to March 31, 2021: 1,103 Million Yen

(Note) The Corporate Group has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020) and other standards since the beginning of the consolidated first quarter of the fiscal year ending March 31, 2022, and that the respective figures reported in the consolidated financial results for the Fiscal Year Ended March 31, 2022, show the amounts after which the above mentioned accounting standard is applied. In addition, the rate of increase and decrease in net sales for the Fiscal Year Ended March 31, 2022, compared with the previous fiscal year is not indicated.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio (%)	Shareholders' equity per share (Yen)
March 31, 2022	837,954	394,035	44.1	3,813.16
March 31, 2021	769,710	380,635	46.6	3,549.52

(Reference) Shareholders' equity: As of March 31, 2022: 369,142 Million Yen
As of March 31, 2021: 359,013 Million Yen

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

(Note) The Corporate Group has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020) and other standards since the beginning of the consolidated first quarter of the fiscal year ending March 31, 2022, and that the respective figures reported in the consolidated financial results for the Fiscal Year Ended March 31, 2022, show the amounts after which the above mentioned accounting standard is applied.

(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 2021 – March 2022	32,711	(43,373)	8,371	78,761
April 2020 – March 2021	66,054	(39,433)	10,852	79,646

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 2020 – March 2021	-	45.00	-	45.00	90.00	9,103	39.7	2.6
April 2021 – March 2022	-	45.00	-	50.00	95.00	9,233	38.1	2.6
April 2022 – March 2023 (Forecast)	-	50.00	-	50.00	100.00		46.1	

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2023

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

(% 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 2022 – September 2022	247,000	(19.5)%	12,500	(34.5)%	6,500	(63.7)%	3,500	(63.3)%	36.15
April 2022 – March 2023	510,000	(22.2)%	34,500	(21.7)%	31,000	(25.4)%	21,000	(14.3)%	216.93

(Notes)

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2022: Yes

+ UBE Elastomer Co. Ltd.

(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, 2022)”.

(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: No

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, 2022	March 31, 2021
Numbers of shares outstanding at period end	106,200,107	106,200,107
Numbers of shares of treasury stock at period end	9,392,743	5,056,029

	April 2021 – March 2022	April 2020 – March 2021
Weighted-average number of shares outstanding during period	98,272,392	101,134,606

(Reference) Overview of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2022
(From April 1, 2021 to March 31, 2022)

(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 2021 – March 2022	274,828	-	14,443	81.6%	28,059	107.3%	21,362	59.6%
April 2020 – March 2021	242,452	(14.0)%	7,952	(46.8)%	13,537	(44.7)%	13,382	(21.4)%

	Net income per share (Yen)	Diluted net income per share (Yen)
April 2021 – March 2022	217.38	216.72
April 2020 – March 2021	132.24	131.86

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio (%)	Shareholders' equity per share (Yen)
March 31, 2022	485,417	184,119	37.8	1,896.64
March 31, 2021	496,859	184,390	37.0	1,817.64

(Reference) Shareholders' equity: As of March 31, 2022: 183,608 Million Yen
As of March 31, 2021: 183,843 Million Yen

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

(Note) The Corporate Group has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020) and other standards since the beginning of the consolidated first quarter of the fiscal year ending March 31, 2022, and that the respective figures reported in the consolidated financial results for the Fiscal Year Ended March 31, 2022, show the amounts after which the above mentioned accounting standard is applied. In addition, the rate of increase and decrease in net sales for the Fiscal Year Ended March 31, 2022 compared with the previous fiscal year is not indicated.

(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, 2022 to March 31, 2023)" on page 8.

4. Qualitative Information on Operating Results

(1) Overview of Operating Results

Overview

During the current term, net sales of the Company Group increased, although sales were affected by the application of the Accounting Standard for Revenue Recognition and the like, and sales volumes remained robust in response to recovery from a decline in demand that was the result of the COVID-19 pandemic, mainly in the Chemical Segment; sales prices for nylon, caprolactam, and synthetic rubber and the like rose significantly which lead to increased sales.

Operating profit and ordinary profit increased mainly due to the positive impact of increases in sales volume, particularly in the Chemicals Segment, as well as rising sales prices for nylon, caprolactam and synthetic rubber, despite the negative impact of rising coal prices in the Construction Materials Segment. Profit attributable to owners of parent increased despite a decrease in tax expenses following the reversal of deferred tax liabilities in the previous term and exclusion of extraordinary income resulted from the split of Electrolyte Business, because an increase in ordinary profit had a significant effect on the outcome.

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 2021 – March 2022 ①	655.3 738.0	44.0	41.5	24.5
April 2020 – March 2021 ②	613.9	25.9	23.3	22.9
Difference ① - ②	41.4 124.1	18.1	18.3	1.6
Percentage change	- 20.2%	70.0%	78.4%	6.8%

(2) Overview by Segment

Net sales (Billions of yen)

Segment	April 2021 – March 2022 ①	April 2020 – March 2021 ②	Difference ① − ②	Percentage Change
Chemicals	341.5 351.7	259.4	82.1 92.3	- 35.6%
Construction Materials	221.5 296.2	282.9	(61.4) 13.3	- 4.7%
Machinery	97.0 94.8	78.7	18.3 16.1	- 20.4%
Others	3.4 3.4	3.1	0.3 0.3	- 9.6%
Adjustment	(8.1) (8.1)	(10.2)	2.1 2.1	- -
Total	655.3 738.0	613.9	41.4 124.1	- 20.2%

Operating profit (Billions of yen)

Segment	April 2021 – March 2022 ①	April 2020 – March 2021 ②	Difference ① – ②	Percentage change
Chemicals	35.5	8.2	27.3	333.4%
Construction Materials	3.4	14.7	(11.3)	(76.9)%
Machinery	5.1	2.8	2.3	81.2%
Others	0.6	0.4	0.1	28.2%
Adjustment	(0.5)	(0.3)	(0.2)	–
Total	44.0	25.9	18.1	70.0%

(Note) The figures shown at the bottom of each table are reference values for expected results if the Accounting Standard for Revenue Recognition is not adopted.

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

Chemicals – Increases in both net sales and operating profit

■ Engineering Plastics & Fine Chemicals

The Caprolactam Business recorded a net sales increase due to strong demand for textiles, and higher selling price due to higher market prices for raw materials such as benzene, as well as rising price for ammonium sulfate, which is produced at the same time.

The Nylon Business recorded an increase in net sales, because of a sales volume increase supported mainly by a recovery in demand for products used in the automobile industry, as well as an increase in sales price thanks to market price rises of caprolactam.

The Industrial Chemicals Business recorded a net sales increase due to the lack of a biennial inspection for the ammonia product factory in this term contributing to increases in both production and shipment volume, as well as increases in sales prices.

The Fine Chemicals Business recorded an increase in net sales due to the stable sales volume of its products, particularly those used for automobiles, along with sales price rising.

Both net sales and operating profit increased in the Engineering Plastics & Fine Chemicals Businesses as a whole, because sales volume increased under the circumstances where sales volume continued to be strong supported by a recovery in demand, and sales prices also rose due to the rising market prices of raw materials. In addition, there was no biennial inspection of the ammonia product factory.

■ The Synthetic Rubber Business recorded increases in both net sales and operating profit because shipment of the products mainly used for tires remained strong, as well as the rising product price due to the market price rises of butadiene.

■ Specialty Products

The Battery Materials Business recorded a sales decrease despite a sales increase of separators due to demand recovery for automotive mounting products. This was also because exclusion of the Electrolyte Business from net sales and operating profit starting from the second half of the previous fiscal year greatly affected the overall business performance.

The Polyimide Business recorded an increase in net sales because sales volume of the COF films mainly used on displays increased and demand for varnish used for organic EL panels remained stable.

Operating profit increased in the Specialty Products Business as a whole: while net sales remained at the same level as the previous fiscal year due to the exclusion of the Electrolyte Business from the consolidated results, overall demand for Separation Membrane, Polyimide and Ceramics remained firm.

■ The Pharmaceutical Business as a whole recorded increases in both net sales and operating profit, because the royalty revenues continued to increase, and shipment volumes of drugs both developed by UBE and manufactured under contract remained firm.

■ Both net sales and operating profit increased in the Chemicals Segment as a whole due to both sales volume and product pricing increasing, due to the recovery from the impact of the COVID-19 pandemic. In addition, there was no biennial inspection of the ammonia product factory.

Construction Materials – Decreases in both net sales and operating profit

■ The Cement and Ready-Mixed Concrete Business recorded a decrease in net sales mainly due to a decrease in shipment volume which resulted from the slowdown of construction projects for earthquake disaster reconstruction, reactionary falls that resulted from completion of construction works to extend the railways for bullet trains, negative impacts of weather conditions such as heavy rains, and the substantial negative impact that adoption of the Accounting Standard for Revenue Recognition had mainly on the Corporate Group’s sales subsidiaries.

■ The Calcia and Magnesia Business recorded an increase in net sales due to increases in sales volume of the quicklime used in the steel industry and the magnesia used in the steel and electric power industries, thanks to recovery of the demand.

■ The Energy Business recorded a net sales increase despite a decrease in electric power sales due to the biennial inspection of the IPP power plant. This was the result of rising coal sales prices due to soaring valuations in the coal market.

■ The Construction Materials Segment as a whole recorded decreases in both net sales and operating profit mainly due to adoption of the Accounting Standard for Revenue Recognition, the biennial inspection of the IPP power plant, and a cost increase which resulted from rising coal prices.

Machinery – Increases in both net sales and operating profit

- ■ The Molding Machine Business recorded an increase in net sales because sales of the products used in the automobile industry remained strong in the China and North America markets, although recovery status of demand for the products differs depending on the market.
- ■ The Industrial Machines Business recorded an increase in net sales thanks to the strong sales of products such as conveyors used in the electric power industry.
- ■ The Steel Products Business recorded an increase in net sales due to rising product prices mainly resulted from price rising of raw materials, as well as continued firm shipment volume of the products.
- ■ The Machinery Segment as a whole recorded increases in both net sales and operating profit because strong sales of molding machines and industrial machines, and rising steel product pricing greatly affected the overall business.

Others – Increases in both net sales and operating profit

(2) Overview of Financial Condition

Total assets increased by 68.2 billion yen to 838.0 billion yen, because inventories such as merchandise and finished goods increased by 36.9 billion yen, contract assets increased by15.8 billion yen.

Total liabilities increased by 54.8 billion yen to 443.9 billion yen, because notes and accounts payable-trade and interest-bearing debt increased respectively by 19.9 billion yen and 27.0 billion yen.

Net assets increased by 13.4 billion yen to 394.0 billion yen. While retained earnings decreased by 8.9 billion yen due to the payment of dividends and treasury shares increased by 9.9 billion yen, profit attributable to owners of parent increased by 24.5 billion yen and accumulated other comprehensive income increased by 5.1 billion yen.

(3) Overview of cash flow

Net cash provided by operating activities totaled 32.7 billion yen, which was mainly comprised of profit before income taxes for the year of 36.8 billion yen, depreciation and amortization of 36.6 billion yen, which is a non-fund entry, increase in working capital (which is the total amount of increases and decreases in trade receivables, inventories and trade payables) of 40.5 billion yen, and income taxes paid of 5.4 billion yen.

Net cash used in investment activities totaled 43.4 billion yen, which was mainly comprised of purchase of property, plant and equipment and intangible assets of 36.4 billion yen.

Net cash used in financing activities totaled 8.4 billion yen, which was mainly comprised of an increase in interest-bearing debt of 26.0 billion yen, purchase of treasury stock of 10.1 billion yen, and cash dividends paid of 9.2 billion yen.

The balance of interest-bearing debt at the end of the term increased by 27.0 billion yen compared to the end of the previous term to 241.8 billion yen.

The balance of cash and cash equivalents at the end of the term decreased by 0.9 billion yen compared to the end of the previous term to 78.8 billion yen.

(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 “Vision UBE 2025 — Prime Phase,” in which the previous term is positioned as the first year, we adopted dividend on equity (DOE) as a new business indicator and set policy targets of DOE at a 2.5% or higher level and a consolidated total return ratio of 30% or more to current consolidated profit attributable to owners of parent on three-year average. We paid interim dividends of 45 yen per share during the term and are currently planning to pay year-end dividends of 50 yen per share for the fiscal year under review.

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, 2022 to March 31, 2023)

On the assumption that the dollar-yen exchange rate would hover at a level of 125 yen /dollar and the prices of domestic product naphtha and Australian coal would be respectively around 69,200 yen per 1kl and 283.0 dollar per ton, from April 1, 2022 through March 31, 2023, we forecast the earnings as follows.

It is expected that net sales decrease greatly, mainly because the cement-related business is separated and converted to an equity-method affiliate in April 2022, which is expected to have a strong effect on Company Group's overall business performance. Operating profit, ordinary profit, and profit attributable to owners of parent is expected to decrease despite the continued steady growth in the Specialty Products Segment, because the cement-related business is separated, and the business performance of the Polymers & Chemicals Segment is expected to be greatly affected by price rising of the raw materials and fuel.

(Billions of yen)

Item	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
April 2022 – March 2023 ①	510.0	34.5	31.0	21.0
April 2021 – March 2022 ②	655.3	44.0	41.5	24.5
Difference ① - ②	(145.3)	(9.5)	(10.5)	(3.5)
Percentage change	(22.2)%	(21.7)%	(25.4)%	(14.3)%

Overview by Segment

Net sales (Billions of yen)

Segment	April 2022– March 2023 ①	April 2021 – March 2022 ②	Difference ① − ②	Percentage change
Specialty Products	69.0	60.8	8.2	13.5%
Polymers & Chemicals	302.0	260.0	42.0	16.1%
Machinery	106.0	97.0	9.0	9.3%
Others	60.0	53.2	6.8	12.9%
Adjustment	(27.0)	184.3	(211.3)	−
Total	510.0	655.3	(145.3)	(22.2)%

Operating profit (Billions of yen)

Segment	April 2022 – March 2023 ①	April 2021 – March 2022 ②	Difference ① − ②	Percentage change
Specialty Products	13.0	11.6	1.4	11.7%
Polymers & Chemicals	18.5	23.5	(5.0)	(21.3)%
Machinery	5.0	5.1	(0.1)	(2.5)%
Others	2.5	3.7	(1.2)	(31.8)%
Adjustment	(4.5)	0.1	(4.6)	−
Total	34.5	44.0	(9.5)	(21.7)%

(Note) As the cement-related business is converted to an equity-method affiliate beginning from the fiscal year ending March 31, 2023, the Segments that had so far consisted of "Chemicals," "Construction Materials," "Machinery" and "Others" are to be modified to four segments of "Specialty Products," "Polymers & Chemicals," "Machinery" and "Others," and the "Pharmaceutical" is to be included in the "Others" segment. Please take note that the reported figures for the fiscal year ended March 2022 are just the values for reference after the segment reclassification, and that "Construction Materials" is included in the "Adjustment" section.

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

As part of the “Vision UBE 2025 — Prime Phase,” the medium-term management plan for the three years until fiscal year 2021, a milestone on the road to achieving the UBE Group’s ideal form for 2025, the Corporate Group has set the following basic management policies and numeric targets. Although we were not able to attain the numerical goal for the last fiscal year, the Chemicals Segment attained the numerical goal (operating profit of 32 billion yen).

◆Basic policy

i) Strengthening the platform for business growth
ii) Strengthening the management platform (corporate governance)
iii) Address and be part of the solution to resource, energy, and global environmental issues

◆Numeric targets

< Key Figures >

	Target for FY 2021
Operating profit	55.0 billions of yen
Ordinary profit	58.0 billions of yen

< Key Indicators >

	Target for FY 2021
Return on sales – ROS	7.0%
Return on equity – ROE	10.0%

We will announce our new medium-term management plan at a later date.

(2) Challenges that the Company should address

In April 2022, we changed its management structure to a holding company of chemical business and made a new start under the new company name of UBE Corporation. As a company group engaging in specialty chemicals business, we will make full efforts for sustainable growth, and will, in the Cement-related and Machinery segments, strengthen the management as a holding company, maximizing the corporate value of the Company Group.

In addition, we announced the “UBE Group Policy for Achieving Carbon Neutrality by 2050” in April 2021. This policy calls for the UBE Group to achieve zero net emission of greenhouse gases from its business activities. In addition, the Company Group will strive to contribute to achieving carbon neutrality for society as a whole.

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, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	80,304	79,492
Notes and accounts receivable - trade	149,615	—
Notes receivable - trade	—	18,090
Accounts receivable - trade	—	137,518
Contract assets	—	15,750
Merchandise and finished goods	35,748	53,576
Work in process	19,362	21,131
Raw materials and supplies	32,724	50,002
Other	14,536	19,389
Allowance for doubtful accounts	(562)	(259)
Total current assets	331,727	394,689
Non-current assets		
Property, plant and equipment		
Buildings and structures	280,783	286,028
Accumulated depreciation and impairment	(190,534)	(195,086)
Buildings and structures, net	90,249	90,942
Machinery, equipment and vehicles	691,792	708,197
Accumulated depreciation and impairment	(552,783)	(571,809)
Machinery, equipment and vehicles, net	139,009	136,388
Land	76,110	75,816
Leased assets	6,782	7,157
Accumulated depreciation and impairment	(2,185)	(2,431)
Leased assets, net	4,597	4,726
Construction in progress	12,551	14,113
Other	43,760	45,798
Accumulated depreciation and impairment	(35,053)	(35,026)
Other, net	8,707	10,772
Total property, plant and equipment	331,223	332,757
Intangible assets		
Leased assets	518	514
Goodwill	720	857
Other	6,432	7,170
Total intangible assets	7,670	8,541
Investments and other assets		
Investment securities	59,484	61,808
Long-term loans receivable	296	303
Retirement benefit asset	10,024	10,382
Deferred tax assets	16,263	16,452
Other	13,558	13,429
Allowance for doubtful accounts	(708)	(540)
Total investments and other assets	98,917	101,834
Total non-current assets	437,810	443,132
Deferred assets		
Bond issuance costs	173	133
Total deferred assets	173	133
Total assets	769,710	837,954

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	90,831	110,766
Short-term borrowings	38,031	44,506
Commercial papers	—	17,000
Current portion of bonds payable	10,000	10,000
Lease liabilities	785	802
Accounts payable - other	30,718	34,292
Income taxes payable	3,196	5,890
Contract liabilities	—	6,595
Provision for bonuses	6,446	6,951
Provision for loss on orders received	378	321
Other	20,055	12,051
Total current liabilities	200,440	249,174
Non-current liabilities		
Bonds payable	60,000	50,000
Long-term borrowings	101,245	114,670
Lease liabilities	4,706	4,834
Deferred tax liabilities	779	1,932
Provision for retirement benefits for directors (and other officers)	497	422
Provision for special repairs	1,503	3,084
Provision for loss on business restructuring	75	109
Retirement benefit liability	7,745	7,292
Asset retirement obligations	2,087	2,234
Other	9,998	10,168
Total non-current liabilities	188,635	194,745
Total liabilities	389,075	443,919
Net assets		
Shareholders' equity		
Share capital	58,435	58,435
Capital surplus	40,659	40,623
Retained earnings	259,806	274,725
Treasury shares	(12,380)	(22,234)
Total shareholders' equity	346,520	351,549
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,080	3,680
Deferred gains or losses on hedges	3	(70)
Foreign currency translation adjustment	7,720	13,218
Remeasurements of defined benefit plans	690	765
Total accumulated other comprehensive income	12,493	17,593
Share acquisition rights	547	510
Non-controlling interests	21,075	24,383
Total net assets	380,635	394,035
Total liabilities and net assets	769,710	837,954

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

・Consolidated Statements of Income

(Millions of yen)

	April 1, 2020 – March 31, 2021	April 1, 2021 – March 31, 2022
Net sales	613,889	655,265
Cost of sales	509,327	527,346
Gross profit	104,562	127,919
Selling, general and administrative expenses	78,660	83,881
Operating profit	25,902	44,038
Non-operating income		
Interest income	221	244
Dividend income	797	1,003
Rental income	1,036	1,135
Amortization of negative goodwill	28	52
Share of profit of entities accounted for using equity method	1,103	―
Foreign exchange gains	363	1,666
Subsidy income	566	375
Other	1,682	1,314
Total non-operating income	5,796	5,789
Non-operating expenses		
Interest expenses	931	898
Rental expenses	582	619
Share of loss of entities accounted for using equity method	―	1,942
Other	6,892	4,819
Total non-operating expenses	8,405	8,278
Ordinary profit	23,293	41,549
Extraordinary income		
Gain on sale of non-current assets	139	98
Gain on sale of investment securities	483	367
Gain on change in equity	1,873	―
Gain on bargain purchase	145	―
Gain on extinguishment of tie-in shares	522	45
Other	―	186
Total extraordinary income	3,162	696
Extraordinary losses		
Loss on disposal of non-current assets	1,992	691
Impairment losses	55	771
Loss on valuation of investment securities	1,452	13
Provision for loss over investment cost of subsidiaries and affiliates	523	2,426
Contribution for industrial water weight loss	―	1,550
Total extraordinary losses	4,022	5,451
Profit before income taxes	22,433	36,794
Income taxes - current	5,183	9,593
Income taxes - deferred	(5,272)	1,355
Total income taxes	(89)	10,948
Profit	22,522	25,846
Profit (loss) attributable to non-controlling interests	(414)	1,346
Profit attributable to owners of parent	22,936	24,500

(Millions of yen)

	April 1, 2020 – March 31, 2021	April 1, 2021 – March 31, 2022
Profit	22,522	25,846
Other comprehensive income		
Valuation difference on available-for-sale securities	2,043	(390)
Deferred gains or losses on hedges	(6)	(73)
Foreign currency translation adjustment	6,501	5,694
Remeasurements of defined benefit plans, net of tax	4,443	33
Share of other comprehensive income of entities accounted for using equity method	95	527
Total other comprehensive income	13,076	5,791
Comprehensive income	35,598	31,637
Comprehensive income attributable to owners of parent	35,104	29,600
Comprehensive income attributable to non-controlling interests	494	2,037

(3) Consolidated Statements of Changes in Net Assets

・For the fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(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	40,300	245,980	(12,645)	332,070
Changes during the year					
Cash dividends			(9,100)		(9,100)
Profit attributable to owners of parent			22,936		22,936
Purchase of treasury stock				(5)	(5)
Disposal of treasury stock		(179)		270	91
Purchase of shares of consolidated subsidiaries		538			538
Net changes of items other than shareholders' equity					
Total changes during the year	-	359	13,826	265	14,450
Balance at the end of the year	58,435	40,659	259,806	(12,380)	346,520

(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	1,984	9	2,122	(3,790)	325	573	21,479	354,447
Changes during the year								
Cash dividends								(9,100)
Profit attributable to owners of parent								22,936
Purchase of treasury stock								(5)
Disposal of treasury stock								91
Purchase of shares of consolidated subsidiaries								538
Net changes of items other than shareholders' equity	2,096	(6)	5,598	4,480	12,168	(26)	(404)	11,738
Total changes during the year	2,096	(6)	5,598	4,480	12,168	(26)	(404)	26,188
Balance at the end of the year	4,080	3	7,720	690	12,493	547	21,075	380,635

・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

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	April 1, 2020 – March 31, 2021	April 1, 2021 – March 31, 2022
Cash flows from operating activities		
Profit before income taxes	22,433	36,794
Depreciation and amortization	36,382	36,506
Impairment losses	55	771
Loss on retirement of non-current assets	581	778
Amortization of negative goodwill	(28)	(52)
Interest and dividend income	(1,018)	(1,247)
Interest expenses	931	898
Share of loss (profit) of entities accounted for using equity method	(1,103)	1,942
Loss (gain) on sale of investment securities	(483)	(367)
Loss (gain) on valuation of investment securities	1,452	13
Provision for loss over investment cost of subsidiaries and affiliates	523	2,426
Loss (gain) on sale of non-current assets	(150)	17
Subsidy income	(566)	(375)
Increase (decrease) in allowance for doubtful accounts	255	(240)
Increase(decrease) in defined benefit asset and liability	(5,423)	(781)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(88)	(81)
Decrease (increase) in trade receivables	10,479	(21,204)
Decrease (increase) in inventories	7,287	(34,908)
Increase (decrease) in trade payables	(3,028)	15,609
Other, net	3,855	(852)
Subtotal	72,346	35,647
Interest and dividends received	2,073	2,610
Interest paid	(868)	(956)
Subsidies received	21	836
Income taxes paid	(7,518)	(5,426)
Net cash provided by (used in) operating activities	66,054	32,711
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(38,208)	(36,379)
Proceeds from sale of property, plant and equipment	460	398
Purchase of investment securities	(261)	(192)
Proceeds from sale of investment securities	633	995
Payments for investments in capital of subsidiaries and associates	–	(2,244)
Purchase of shares of subsidiaries and associates	(1,613)	(192)
Proceeds from sale of shares of subsidiaries and associates	119	78
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	66	–
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
Decrease (increase) in short-term loans receivable	(461)	(5,139)
Long-term loan advances	(64)	(115)
Proceeds from collection of long-term loans receivable	19	13
Other, net	(123)	(348)
Net cash provided by (used in) investing activities	(39,433)	(43,373)

(Millions of yen)

	April 1, 2020 – March 31, 2021	April 1, 2021 – March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,664)	1,262
Net increase (decrease) in commercial papers	—	17,000
Proceeds from long-term borrowings	31,590	34,720
Repayments of long-term borrowings	(17,657)	(16,024)
Proceeds from issuance of bonds	9,950	—
Redemption of bonds	—	(10,000)
Refund of deposits received from members	(76)	—
Purchase of treasury shares	(5)	(10,006)
Proceeds from share issuance to non-controlling shareholders	—	2,279
Dividends paid	(9,089)	(8,923)
Dividends paid to non-controlling interests	(269)	(242)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(41)	(733)
Other, net	(887)	(962)
Net cash provided by (used in) financing activities	10,852	8,371
Effect of exchange rate change on cash and cash equivalents	1,093	1,349
Net increase (decrease) in cash and cash equivalents	38,566	(942)
Cash and cash equivalents at beginning of period	40,609	79,646
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	471	57
Cash and cash equivalents at end of period	79,646	78,761

(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, 2022)

Effective as of October 1, 2021, the Company newly established UBE Elastomer Co. Ltd. that inherits the synthetic rubber business of UBE Industries, Ltd. by a method of company split (simplified incorporation-type company split). For the above reason, UBE Elastomer Co. Ltd. was added in the scope of consolidation from the fiscal year ending March 31, 2022.

Please take note that UBE Elastomer Co. Ltd. is a specified subsidiary of the Company Group.

(Changes in accounting policies)

(Application of “Accounting Standard for Revenue Recognition,” etc.)

The “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020) and other standards are applied from the first quarter of the fiscal year ending March 31, 2022. We now recognize revenue in the amount that expects to receive in exchange for promised goods or services at the time control of the goods or services are transferred to a customer.

The main changes resulted from the above application are as follows.

(1) Revenue recognition policies regarding agent transaction

In some transactions, we had so far recognized revenue in the total amount of proceeds that we expect to receive from a customer as revenue. However, we currently recognize revenue from the transaction where the Company Group (Company Group itself or its agent) acts as an agent, in the net amount in which the amount payable to a supplier is deducted from the amount receivable from a customer.

(2) Revenue recognition for performance requirements met over a period of time

Among contracts applying the completed-contract method, those with performance requirements met over a period of time will change to a recognition method which estimates the degree of progress on said performance fulfillment and determines revenue based on this progression, except for those for which this period of time is extremely short. In addition, estimating the degree of progress on fulfillment of performance requirements will use an input method based on the ratio of cost accrued to total estimated cost.

Based on the transitional treatment outlined in Article 84 of the “Accounting Standard for Revenue Recognition,” the cumulative effect of retroactively applying the new accounting policy to periods prior to the beginning of the fiscal year ending March 31, 2022 is reflected in the balance of retained earnings at the beginning of the fiscal year ending March 31, 2022.

However, based on the method outlined in the Article 86 of the Accounting Standard for Revenue Recognition, we have not retroactively applied the new accounting policy to the contracts in which almost all of the revenue amount had been recognized prior to the beginning of the current term in accordance with the previous treatment. In addition, based on Article 86 (1) of the Accounting Standard for Revenue Recognition, we have implemented accounting process of the contracts modified prior to the beginning of the current term by applying the contract conditions made after reflecting all the modifications to the contracts, and added or deducted the cumulative effects on retained earnings.

Please take note that “notes and accounts receivable - trade” that had been classified in the “current assets” section in the consolidated balance sheet for the previous consolidated fiscal year was reclassified to be included in “notes receivable - trade,” “accounts receivable - trade” and “contract assets ”in the current consolidated fiscal year, and that “others” that had been classified in the “current liabilities” was reclassified to be included in “contract liabilities” and “others” in the current consolidated fiscal year. On the other hand, based on the transitional treatment outlined in Article 89-2 of the “Accounting Standard for Revenue Recognition,” we have not reclassified some items reported in the previous consolidated fiscal year based on the new classification method.

As the result, in comparison with the figures before application of the Accounting Standard for Revenue Recognition, net sales, cost of sales, selling, general administrative expenses, and operating profit in the consolidated fiscal year decreased respectively by 82,759 million yen, 81,622 million yen, 367 million yen and 770 million yen. In addition, ordinary profit and profit before income taxes decreased respectively by 1,039 million yen.

Reflecting the cumulative impact on net assets at the beginning of the current consolidated fiscal year, balance of retained earnings at the beginning of the year reported in the consolidated statements of changes in shareholders' equity decreased by 648 million yen.

(Application of “Accounting Standard for Fair Value Measurement,” etc.)

The “Accounting Standard for Fair Value Measurement” (ASBJ Statement No.30, July 4, 2019) and other standards are applied from the first quarter of the fiscal year ending March 31, 2022. Based on the transitional treatment prescribed in Paragraph 19 of the “Accounting Standard for Fair Value Measurement” and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No.10,July 4, 2019), we have decided to apply the new accounting policies set forth by the “Accounting Standard for Fair Value Measurement” into the future. These changes had no impact on the consolidated financial statements.

(Change in presentation)

(Consolidated income statement)

“Loss on disposal of non-current assets” and “expenses relating to business consolidation” that had been separately listed under the “non-operating expenses” section was reclassified to the others section in the current consolidated fiscal year, because the shares of those items respectively became less than 10% of the total amount of non-operating expenses. In order to reflect this change in presentation, consolidated financial statements for the previous fiscal year have been restated.

As the result, 904 million yen presented in “loss on disposal of non-current assets” and 852 million yen presented in “expenses relating to business consolidation” and 5,136 million yen presented in “others” under the “non-operating expenses” section in the consolidated income statement for the previous consolidated fiscal year were collectively reclassified to 6,892 million yen presented in “Others.”

(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.

UBE composed segments by product group based on business divisions, and had four reportable segments, Chemicals, Construction Materials, Machinery, and Other.

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

Reportable segment	Main products and services
Chemicals	Polyamide (Nylon) resin, Caprolactam, Ammonium sulfate, Industrial chemicals, Fine Chemicals, High-Performance Coating, Polybutadiene(Synthetic rubber), Polyimide, Battery materials, Specialty products and Pharmaceuticals (APIs and intermediates), etc.
Construction Materials	Cement, Ready-mixed Concrete, Building Materials, Limestone, Calcia and Magnesia, Specialty inorganic materials, Resource recycling, Import and sales of coal, operation of UBE's Coal Center (a coal storage facility), and electric power supply business including the independent power producer business (IPP), 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.
Other	Purchase and sales, leasing and control of real estate

(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.

(Application of Accounting Standard for Revenue Recognition, etc.)

As described in the "Changes in accounting policies" section, we have adopted the "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan Statement No. 29, March 31, 2020) and other standards at the beginning of the current consolidated fiscal year and modified the methods for accounting processes as well as calculation of profit and loss for each Business Segment.

As a result, net sales of some segments in the current consolidated fiscal year increased or decreased in comparison with the previous calculation method. Specifically, net sales of the "Chemicals" "Construction Materials" and "Others" Segments decreased respectively by 10,231 million yen, 74,720 million yen and 6 million yen, while net sales of the "Machinery" Segment increased by 2,198 million yen. In addition, profit of the "Chemicals" and "Others" Segments decreased respectively by 946 million yen and 2 million yen, while profit of the "Construction Materials" and "Machinery" Segments increased respectively by 39 million yen and 139 million yen.

(3) Information concerning Net Sales and Operating Profit by Reportable Business Segment

For the Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021) (Millions of yen)

	Reported segment					Adjustment (note 1)	Amount recorded in consolidated statements of income (note 2)
	Chemicals	Construction Materials	Machinery	Others	Total		
Net sales							
External sales	258,612	276,229	77,300	1,748	613,889	—	613,889
Internal sales or transfers	768	6,626	1,427	1,369	10,190	(10,190)	—
Total	259,380	282,855	78,727	3,117	624,079	(10,190)	613,889
Segment profit (Operating profit)	8,184	14,744	2,831	447	26,206	(304)	25,902
Assets	353,065	284,197	81,365	7,232	725,859	43,851	769,710
Other items							
Depreciation and amortization (Note 3)	20,758	13,197	1,896	42	35,893	489	36,382
Investment in equity-method affiliates	28,061	11,022	—	1,435	40,518	—	40,518
Increase in property, plant and equipment and intangible assets (Note 4)	17,994	13,937	4,578	34	36,543	654	37,197

(Note 1) Adjustments are applied to the followings:

ⅰ) (304) million yen for adjustment for Segment profit includes (28) million yen for the elimination of transaction between the Segments and (276) 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) 43,851 million yen for adjustment for Segment assets includes (49,764) million yen for the emission of credits between the Segments and 93,615 million yen for company-wide assets that are not attributed to each reported Segment.

ⅲ) 489 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) 654 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.

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)
	Chemicals	Construction Materials	Machinery	Others	Total		
Net sales							
External sales	340,675	217,353	95,579	1,658	655,265	—	655,265
Internal sales or transfers	818	4,123	1,408	1,753	8,102	(8,102)	—
Total	341,493	221,476	96,987	3,411	663,367	(8,102)	655,265
Segment profit (Operating profit)	35,472	3,405	5,130	573	44,580	(542)	44,038
Assets	390,859	302,301	89,397	7,849	790,406	47,548	837,954
Other items							
Depreciation and amortization (Note 3)	20,942	13,198	1,859	23	36,022	484	36,506
Investment in equity-method affiliates	30,607	8,937	—	1,750	41,294	—	41,294
Increase in property, plant and equipment and intangible assets (Note 4)	18,899	17,420	2,528	21	38,868	704	39,572

(Note 1) Adjustments are applied to the followings:

ⅰ) (542) million yen for adjustment for Segment profit includes 54 million yen for the elimination of transaction between the Segments and (596) 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) 47,548 million yen for adjustment for Segment assets includes (22,758) million yen for the emission of credits between the Segments and 70,306 million yen for company-wide assets that are not attributed to each reported Segment.

ⅲ) 484 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) 704 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, 2021 (April 1, 2020 to March 31, 2021)

(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
440,722	106,723	37,373	29,071	613,889

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

② Tangible assets

(Millions of yen)

Japan	Thailand	Other Asia	Europe	Others	Total
269,132	41,345	613	19,307	826	331,223

(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, 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	Other Asia	Europe	Others	Total
269,465	40,716	214	21,362	1,000	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.

3. Information Concerning Impairment Loss of Fixed Assets by Reportable Segment

Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Chemicals	Construction Materials	Machinery	Others	Company wide / elimination	Total
Impairment loss	12	28	―	―	15	55

(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.

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

(Millions of yen)

	Chemicals	Construction Materials	Machinery	Others	Company wide / elimination	Total
Impairment loss	662	109	―	―	―	771

4. Information about amortization of goodwill and balance of unamortized goodwill by reportable segment
Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Chemicals	Construction Materials	Machinery	Others	Company wide / elimination	Total
Amortization of goodwill	210	―	16	―	―	226
Balance at the end of the term	1,356	―	93	―	―	1,449

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

(Millions of yen)

	Chemicals	Construction Materials	Machinery	Others	Company wide / elimination	Total
Amortization of goodwill	221	33	―	―	―	254
Balance at the end of the term	552	177	―	―	―	729

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

(Millions of yen)

	Chemicals	Construction Materials	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)

	Chemicals	Construction Materials	Machinery	Others	Company wide / elimination	Total
Amortization of goodwill	221	28	―	―	―	249
Balance at the end of the term	331	103	―	―	―	434

5. Information concerning gain on negative goodwill by reportable segment
Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

We have allocated a gain on bargain purchase of 145 million yen generated by the acquisition of shares of Premium Composite Technology North America, Inc. currently known as UBE Engineered Composites, Inc. to convert it to our consolidated subsidiary to the Chemicals Segment.

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

None.

(Information of per share)

	April 1, 2020 – March 31, 2021	April 1, 2021 – March 31, 2022
Shareholders’ equity per share (Yen)	3,549.52	3,813.16
Net income per share (Yen)	226.79	249.31
Diluted net income per share (Yen)	226.14	248.56

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

	April 1, 2020 – March 31, 2021	April 1, 2021 – March 31, 2022
Net income per share		
Profit attributable to owners of parent (Millions of yen)	22,936	24,500
Profit not attributable to shareholders of common stock (Millions of yen)	—	—
Profit attributable to shareholders of common stock of parent (Millions of yen)	22,936	24,500
Weighted-average number of shares outstanding during period of common stock (Thousand shares)	101,134	98,272
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)	290	296
Share acquisition rights (Internal)	(290)	(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)

Formation of jointly controlled company

The Company resolved at its Board of Directors meeting held on May 12, 2021 to enter into the absorption-type split agreement (“Absorption-Type Split Agreement”) with Mitsubishi Materials Corporation, Ltd. (“Mitsubishi Materials”) to integrate the cement business and its associated business of Mitsubishi Materials (“Integration”) by around April 2022, and signed the Absorption-Type Split Agreement on May 14, 2021 with C Integration Arrangement, Ltd. (which was renamed to Mitsubishi UBE Cement Corporation (“Mitsubishi UBE Cement”) on January 1, 2022). Then, the Company Group and Mitsubishi Materials received approvals of their general meeting of shareholders respectively held on June 29, 2021 and June 24, 2021. Based on this agreement, both companies transferred their cement business and its associated business to Mitsubishi UBE Cement on April 1, 2022.

1, Summary of the Transaction

(1) Name and Business Content of the New Joint Venture Company

Cement and ready-mixed concrete business, limestone resource business, business relation to energy and environment, construction material business, and other business relating to foregoing

(2) Date of Integration

April 1, 2022

(3) Legal Form of Integration

Formation of jointly controlled company that the Company Group and Mitsubishi Materials respectively own 50% share.

(4) Company Name after Integration

Mitsubishi UBE Cement Corporation

(5) Other Matters Related to the Summary of the Transaction

The Company Group and Mitsubishi Materials resolved at respective Board of Directors meetings held on February 12, 2020 to start the specific talk and review for this integration and the letter of intent was prepared. The integration was formally resolved at respective Board of Directors meetings held on September 29, 2020, and the absorption-type split agreement was prepared.

(6) Reason why this integration was determined as formation of a jointly controlled company

In order to establish this jointly controlled company, the Company Group and Mitsubishi Materials signed the absorption-type split agreement stipulating that both companies would jointly control Mitsubishi UBE Cement, and both companies paid with respective voting shares for the business integration.

In addition, there is no certain clearly specified fact to show other controlling interests. Hence, we determined that this business integration forms a jointly controlled company.

2. Outline of Accounting Processes Implemented

This business integration has been processed as formation of a jointly controlled company pursuant to the “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan Statement No. 21, January 16, 2019) and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (Accounting Standards Board of Japan Statement, Guidance No. 10, January 16, 2019).

(Reference) Consolidated Key Indicators

	April 2020 – March 2021	April 2021 – March 2022	April 2022 – March 2023 (forecast)
Capital investment	37.2	39.6	39.0
Depreciation and amortization	36.4	36.5	24.0
Research and development expenses	11.4	11.8	11.0
Adjusted operating profit *1	28.0	43.3	36.0
Interest-bearing debt	214.8	241.8	180.0
Shareholders' equity *2	359.0	369.1	380.0
Total assets	769.7	838.0	720.0
D/E ratio (times)	0.60	0.66	0.47
Shareholders' equity ratio (%)	46.6	44.1	52.8
Return on sales - ROS (%) *3 *6	4.2	6.7 6.1	6.8
Return on assets - ROA (%) *4	3.7	5.4	4.6
Return on equity - ROE (%) *5	6.6	6.7	5.6
Number of employees	10,897	9,849	7,700

*1 Adjusted operating profit: 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 saless

*4 ROA: Adjusted operating profit / Average total assets

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

*6 The figures shown at the bottom of the table are reference values for expected results if the Accounting Standard for Revenue Recognition is not adopted.