



Company name: Ube Industries, Ltd.
Representative: Masato Izumihara
President and Representative Director
Security code: 4208 (shares listed on First Section of Tokyo Stock
Exchange and Fukuoka Stock Exchange)
Contact: Osamu Akutagawa
General Manager, CSR & General Affairs Department
Tel: +81-3-5419-6110

Ube Industries Announces Absorption (simplified merger/short-form merger) of Wholly-Owned Subsidiary Ube Ammonia Industry

TOKYO, April 23, 2020 — Ube Industries, Ltd. announced today that the company's Board of Directors resolved to implement a merger by absorption of its wholly-owned subsidiary, Ube Ammonia Industry, Ltd., which will take effect on October 1, 2020. Details of the merger are below. Since the merger is a simplified and short-form merger between Ube Industries and its wholly-owned subsidiary, some items and details of the merger have not been disclosed.

1. Purpose of Merger

Ube Ammonia Industry, Ltd. was established in 1969 as a joint venture for the manufacturing of liquid ammonia, by businesses in Ube City, Yamaguchi Prefecture centering on Ube Industries. Ube Ammonia Industry has been manufacturing this essential basic raw material for Japanese industry for over half a century, as an important base of Ube Industries' chemical business in the Ube region. Ube Ammonia Industry became a wholly-owned subsidiary of Ube Industries after the shares of other shareholders were bought out by the parent company. In addition, Ube Ammonia Industry has entrusted all of its plant operations to Ube Industries since 2013.

Ube Industries will absorb Ube Ammonia Industry from the perspective of further strengthening the ammonia business and realizing business efficiencies in the near term, determining that it is optimal to further enhance the unified management of the ammonia business.

2. Summary of Merger

(1) Merger Schedule

Date of resolution by Board of Directors	April 23, 2020
Date of signing merger agreement	April 23, 2020
Date of merger taking effect	October 1, 2020 (Scheduled)

Note: The merger is a simplified merger as prescribed in Paragraph 2 of Article 796 of the Companies Act for Ube Industries, and a short-form merger as prescribed in Paragraph 1 of Article 784 of the Companies Act for Ube Ammonia Industry. As such, the merger will be implemented without the approval of the respective shareholders meetings.

(2) Method of Merger

Absorption-type merger with Ube Industries being the surviving company. Ube Ammonia Industry will be dissolved as of the effective date of the merger.

(3) Shares Related to Merger

As an absorption-type merger between Ube Industries and its wholly-owned subsidiary, no shares or money will be issued from the merger.

(4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights as a Result of Integration

Not applicable

3. Data for Merging Companies

	Surviving Company	Absorbed Company
(1) Name	Ube Industries, Ltd.	Ube Ammonia Industry, Ltd.
(2) Location	1978-96 Kogushi, Ube, Yamaguchi Prefecture	2575 Fujimagari, Ube, Yamaguchi Prefecture
(3) Representative	Masato Izumihara, President and Representative Director	Futoshi Takase, President and Representative Director
(4) Business Description	Business related to chemicals, construction materials, machinery, etc.	Manufacturing and marketing of ammonia
(5) Capital Stock	58,435 million yen	4,000 million yen
(6) Established	March 10, 1942	June 14, 1969
(7) Shares Issued	106,200,107	40,000
(8) Fiscal Year-End	March 31	March 31
(9) Shareholders (as of March 31, 2019)	The Master Trust Bank of Japan, Ltd. (Trust Account) 7.77% Japan Trustee Services Bank, Ltd. (Trust Account) 6.63% BBH Boston Custodian for Blackrock Global Allocation Fund, Inc. 620313 2.12% Sumitomo Life Insurance Company 1.98% Japan Trustee Services Bank, Ltd. (Trust Account 5) 1.92% JP Morgan Chase Bank 385151 1.60% Nippon Life Insurance Company 1.58% Yamaguchi Bank, Ltd. 1.53% Japan Trustee Services Bank, Ltd. (Trust Account 4) 1.51% Japan Trustee Services Bank, Ltd. (Trust Account 7) 1.50%	Ube Industries, Ltd. 100.0%
(10) Consolidated Earnings and Financial Data for the Previous Fiscal Year		
	Ube Industries	Ube Ammonia Industry
Fiscal year	FY2019/3 (Consolidated)	FY2019/3 (Non-consolidated)
Net assets	354,552 million yen	5,318 million yen
Gross assets	740,286 million yen	11,958 million yen
Net assets per share	3261.23 yen	132,954.86 yen
Net sales	730,157 million yen	16,075 million yen

Operating profit	44,551 million yen	93 million yen
Ordinary profit	47,853 million yen	24 million yen
Net income attributable to owners of the parent	32,499 million yen	42 million yen
Net income per share	312.36 yen	1,060.95yen

4. Status after Merger

The company name, head office location, title and name of representative, business description, capital stock, and fiscal year of Ube Industries will remain unchanged as a result of the merger.

5. Future Outlook

As an absorption-type merger between Ube Industries and its wholly-owned subsidiary, the merger will have a minimal impact on the consolidated earnings of Ube Industries.

(Reference) Consolidated Earnings Forecast for the Fiscal Year Ended March 31, 2020 (Announced February 4, 2020) and Consolidated Earnings for the Fiscal Year Ended March 2019

(Million yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Consolidated earnings forecasts for the fiscal year ended March 31, 2020	675,000	36,000	35,500	22,000
Consolidated earnings for the fiscal year ended March 31, 2019	730,157	44,551	47,853	32,499