

# Financial Results for the 1<sup>st</sup> Quarter FY 2012

August 1, 2012

**UBE INDUSTRIES, LTD.**

# Scope of Consolidation

— Financial Results for the 1<sup>st</sup> Quarter FY12 —

Item	End of FY11 (A)	End of FY12 1Q (B)	Change (B) - (A)	Notes
<b>Number of consolidated subsidiaries</b>	<b>67</b>	<b>67</b>	<b>0</b>	Newly Included : None Newly Excluded : None
<b>Number of equity method affiliates</b>	<b>25</b>	<b>25</b>	<b>0</b>	Newly Included : None Newly Excluded : None
<b>Total</b>	<b>92</b>	<b>92</b>	<b>0</b>	

# Environmental Factors

— Financial Results for the 1<sup>st</sup> Quarter FY12 —

(Billion Yen)

Item			FY11 1Q	FY12 1Q	Change	Impacts on Consolidated OP Income
			(A)	(B)	(B) - (A)	
<b>Exchange Rate</b>		<b>Yen/\$</b>	81.7	80.2	-1.5	0.0
<b>Material Price</b>	<b>(CIF)</b>	<b>\$/t</b>	1,002	1,045	43	-0.2
	<b>Naphtha</b>					
	<b>(Domestic)</b>	<b>Yen/KL</b>	59,000	60,600	1,600	(-0.1)
	<b>Benzene</b>	<b>\$/t</b>	1,248	1,223	-25	0.2
	(Average of US and Euro Contract Price)					(0.5)
<b>Australian Coal</b>	<b>\$/t</b>	143.6	131.0	-12.6	0.5	
<b>(CIF)</b>	<b>Yen/t</b>	11,732	10,506	-1,226	(0.6)	

( ): including impacts from fluctuation of exchange rate

# Major P/L & B/S Items

— Financial Results for the 1<sup>st</sup> Quarter FY12 —

(Billion Yen)

Item	FY11 1Q (A)	FY12 1Q (B)	Change (B) - (A)
Sales	149.4	151.2	1.8
Operating income	8.7	6.0	-2.6
Ordinary income	8.3	5.8	-2.4
Net income	5.0	2.3	-2.6
Item	End of FY11 (A)	End of FY12 1Q (B)	Change (B) - (A)
Total assets	664.9	680.9	15.9
Debt	253.9	259.4	5.4
Net debt	220.8	225.7	4.8
Equity capital *1	199.4	203.1	3.6

\*1: Equity capital = Net assets - Share subscription rights - Minority interests

# Non Operating Items

— Financial Results for the 1<sup>st</sup> Quarter FY12 —

(Billion Yen)

Item		FY11 1Q (A)	FY12 1Q (B)	Change (B) - (A)
Operating income		8.7	6.0	-2.6
Non Operating Items	Net interest expense	-0.6	-0.6	0.0
	Equity in earnings of unconsolidated subsidiaries and affiliated companies	0.4	0.0	-0.3
	Others	-0.1	0.3	0.5
	Total	-0.3	-0.1	0.1
Ordinary income		8.3	5.8	-2.4

# Extraordinary Items

— Financial Results for the 1<sup>st</sup> Quarter FY12 —

(Billion Yen)

Item		FY11 1Q (A)	FY12 1Q (B)	Change (B) - (A)
Extraordinary Income	Gain on transfer of business	0.0	0.2	0.2
	Others	0.0	0.0	0.0
	Total	0.0	0.3	0.3
Extraordinary Loss	Loss on disposal of PP & E	-0.2	-0.1	0.0
	Others	0.0	0.0	0.0
	Total	-0.2	-0.2	0.0
Net extraordinary income/loss		-0.2	0.1	0.3

# Operating Income – Net Income

– Financial Results for the 1<sup>st</sup> Quarter FY12 –

(Billion Yen)

Item	FY11 1Q	FY12 1Q	Change
	(A)	(B)	(B) - (A)
Operating income	8.7	6.0	-2.6
Non operating item	-0.3	-0.1	0.1
Ordinary income	8.3	5.8	-2.4
Extraordinary item	-0.2	0.1	0.3
Income before income tax and minority interest	8.1	6.0	-2.1
Income tax and minority interest	-3.1	-3.6	-0.5
Net income	5.0	2.3	-2.6
Net income per share(Yen/Share)	4.98	2.33	-2.65

# Sales by Segment

— Financial Results for the 1<sup>st</sup> Quarter FY12 —

(Billion Yen)

Segment	FY11 1Q (A)	FY12 1Q (B)	Change (B) - (A)	Major Factors
<b>Chemicals &amp; Plastics</b>	53.4	54.4	0.9	Caprolactam chain -0.2 Synthetic rubber 1.2
<b>Specialty Chemicals &amp; Products</b>	15.9	15.6	-0.3	Specialty products -0.2 Fine chemicals -0.1
<b>Pharmaceutical</b>	1.7	2.4	0.6	
<b>Cement &amp; Construction Materials</b>	49.8	50.5	0.7	Cement and Ready-mixed concrete 1.1 Construction materials and Quicklime related products -0.2, etc.
<b>Machinery &amp; Metal Products</b>	15.6	15.3	-0.2	
<b>Energy &amp; Environment</b>	13.5	16.4	2.9	Coal 2.3 Power 0.6
<b>Others</b>	6.6	6.3	-0.3	Overseas sales subsidiaries -0.4, etc
<b>Adjustment</b>	-7.3	-9.9	-2.5	
<b>Total</b>	149.4	151.2	1.8	Increased by 1.2%



# Operating Income by Segment

— Financial Results for the 1<sup>st</sup> Quarter FY12 —

(Billion Yen)

Segment	FY11 1Q (A)	FY12 1Q (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	6.0	1.5	-4.4	Caprolactam chain -4.2 Synthetic rubber -0.2
Specialty Chemicals & Products	1.4	0.6	-0.8	Specialty products -0.5 Fine chemicals -0.3
Pharmaceutical	0.0	0.7	0.6	
Cement & Construction Materials	1.2	1.7	0.5	Cement and Ready-mixed concrete 0.7 Construction materials and Quicklime related products -0.4, etc.
Machinery & Metal Products	0.0	0.6	0.6	
Energy & Environment	0.3	1.1	0.8	Power 0.8
Others	0.1	0.2	0.0	
Adjustment	-0.6	-0.6	0.0	
<b>Total</b>	<b>8.7</b>	<b>6.0</b>	<b>-2.6</b>	<b>Decreased by 30.4%</b>

# Analysis of Operating Income by Segment

## – Financial Results for the 1<sup>st</sup> Quarter FY12 –

(Billion Yen)

Segment	Operating Income						
	FY11 1Q (A)	FY12 1Q (B)	Change (B) - (A)	Price *1	Sales Volume	Fixed Cost	Others *2
Chemicals & Plastics	6.0	1.5	-4.4	-3.5	0.4	-0.6	-0.8
Specialty Chemicals & Products	1.4	0.6	-0.8	-0.7	0.5	-0.1	-0.5
Pharmaceutical	0.0	0.7	0.6	-0.2	0.5	-0.1	0.5
Cement & Construction Materials	1.2	1.7	0.5	0.1	-0.1	0.4	0.1
Machinery & Metal Products	0.0	0.6	0.6	0.1	-0.1	-0.2	*3 0.9
Energy & Environment	0.3	1.1	0.8	0.6	-0.1	0.1	0.2
Others	0.1	0.2	0.0	0.0	0.1	0.0	0.0
Adjustment	-0.6	-0.6	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>8.7</b>	<b>6.0</b>	<b>-2.6</b>	<b>-3.6</b>	<b>1.1</b>	<b>-0.5</b>	<b>0.3</b>

\*1: Including both selling and purchase change    \*2: Including inventory valuation changes -0.5

\*3: Including marginal profit on machinery products 0.9

# Sales Progress by Segment

— Financial Results for the 1<sup>st</sup> Quarter FY12 —

(Billion Yen)

Segment	FY11			FY12			Change (B) - (A)
	First Half	1Q	Progress (A)	First Half Forecast	1Q	Progress (B)	
Chemicals & Plastics	115.2	53.4	46.4%	127.0	54.4	42.8%	-3.6%
Specialty Chemicals & Products	33.5	15.9	47.5%	37.0	15.6	42.2%	-5.3%
Pharmaceutical	3.8	1.7	46.8%	5.5	2.4	44.1%	-2.7%
Cement & Construction Materials	100.8	49.8	49.4%	100.0	50.5	50.6%	1.2%
Machinery & Metal Products	33.5	15.6	46.5%	35.0	15.3	43.8%	-2.7%
Energy & Environment	30.8	13.5	43.9%	35.0	16.4	47.1%	3.2%
Others	12.5	6.6	52.8%	11.0	6.3	57.5%	4.7%
Adjustment	-18.6	-7.3	---	-20.5	-9.9	---	---
<b>Total</b>	<b>311.6</b>	<b>149.4</b>	<b>47.9%</b>	<b>330.0</b>	<b>151.2</b>	<b>45.8%</b>	<b>-2.1%</b>

# Operating Income Progress by Segment

— Financial Results for the 1<sup>st</sup> Quarter FY12 —

(Billion Yen)

Segment	FY11			FY12			Change (B) - (A)
	First Half	1Q	Progress (A)	First Half Forecast	1Q	Progress (B)	
Chemicals & Plastics	13.7	6.0	44.1%	8.0	1.5	19.8%	-24.3%
Specialty Chemicals & Products	3.7	1.4	38.3%	3.7	0.6	16.5%	-21.8%
Pharmaceutical	0.7	0.0	13.1%	1.5	0.7	50.4%	37.3%
Cement & Construction Materials	2.9	1.2	42.3%	3.0	1.7	58.4%	16.1%
Machinery & Metal Products	0.6	0.0	6.4%	0.5	0.6	130.8%	124.4%
Energy & Environment	1.5	0.3	19.9%	2.0	1.1	55.3%	35.4%
Others	0.4	0.1	46.5%	0.4	0.2	64.5%	18.0%
Adjustment	-1.0	-0.6	---	-1.1	-0.6	---	---
<b>Total</b>	<b>22.6</b>	<b>8.7</b>	<b>38.5%</b>	<b>18.0</b>	<b>6.0</b>	<b>33.8%</b>	<b>-4.7%</b>

# Consolidated Balance Sheet

— Financial Results for the 1<sup>st</sup> Quarter FY12 —

(Billion Yen)

Item		End of FY11 (A)	End of FY12 1Q (B)	Change (B) - (A)
Assets	Current assets	284.4	295.3	10.9
	Fixed assets	380.4	385.5	5.0
	Total	664.9	680.9	15.9
Liabilities	Interest-bearing debts	253.9	259.4	5.4
	Other liabilities	186.5	193.4	6.8
	Total	440.5	452.8	12.2
Net assets	Equity capital *1	199.4	203.1	3.6
	Minority interest and Others	24.9	24.9	0.0
	Total	224.4	228.0	3.6
Total liabilities and net assets		664.9	680.9	15.9

\*1: Equity capital = Net assets - Share subscription rights - Minority interests

# Consolidated Statements of Cash Flows

— Financial Results for the 1<sup>st</sup> Quarter FY12 —

(Billion Yen)

Item	FY11 1Q	FY12 1Q	
<b>A.Cash flows from operating activities</b>	13.8	12.3	Income before tax and minority interests 6.0, Depreciation and amortization 7.6, Working capital -0.9
<b>B.Cash flows from investing activities</b>	-9.3	-12.0	Acquisition of PP&E -8.5, Acquisition of shares of subsidiaries -3.5
<b>Free cash flows (A+B)</b>	4.5	0.2	
<b>C.Cash flows from financing activities</b>	-10.4	-0.6	Increase in interest-bearing debts 4.9 Dividends and others -5.4
<b>D.Net increase/decrease in cash and cash equivalents</b>	-5.2	0.6	
<b>E.Cash and cash equivalents at end of the quarter</b>	44.2	33.7	

# Appendix

# Major Subsidiaries

## — Financial Results for the 1<sup>st</sup> Quarter FY12 —

(Billion Yen)

Subsidiaries and Affiliates		Business	Sales FY12 1Q	Operating income change from FY11 1Q
Chemicals & Plastics	UBE CHEMICALS (ASIA) PUBLIC CO., LTD	Manufacture and sales of caprolactam and polyamide resin	10.8	↓
	UBE CHEMICAL EUROPE, S.A.	Manufacture and sales of caprolactam.	7.5	→
	THAI SYNTHETIC RUBBERS CO., LTD.	Manufacture and sales of polybutadiene	3.7	↓
	UBE ENGINEERING PLASTICS, S.A.	Manufacture and sales of polyamide resin	2.7	→
	UBE AMMONIA INDUSTRY, LTD.	Manufacture and sales of ammonia	2.5	↓
	UBE FILM, LTD.	Manufacture and sales of plastic-film products	2.4	→
Specialty Chemicals & Products	UBE-NITTO KASEI CO., LTD.	Manufacture and sales of electronics & IT materials, FRP, industrial materials and fiber-reinforced plastics	3.1	→
Cement & Construction Materials	UBE CONSTRUCTION MATERIALS SALES CO., LTD.	Sales of construction materials	12.6	→
	UBE SHIPPING & LOGISTICS, LTD.	Domestic shipping, harbor transportation, shipping-agent services and customs clearing	4.4	→
	KANTO UBE CONCRETE CO., LTD.	Manufacture and sales of ready-mixed concrete	3.0	↑
Machinery & Metal Products	UBE MACHINERY CORPORATION, LTD.	Manufacture and sales of industrial machinery and bridges	6.4	↑
	UBE STEEL CO., LTD.	Manufacture and sales of cast iron, steel products and rolled steel billets	3.9	→
	UBE TECHNO ENG. CO., LTD.	Service and maintenance of industrial machinery and equipment	3.3	↑
Energy & Environment	UBE C&A CO., LTD.	Sales of imported steaming coal from Australia and other countries	6.4	→

Note: ↑ ↓ :Represent an increase or decrease of over 100 million JPY



The logo consists of a blue square containing white text. The text is arranged in four lines: "Wings of", "technology", "Spirit of", and "innovation" in a serif font, followed by "UBE" in a bold, italicized sans-serif font.

Wings of  
technology  
Spirit of  
innovation  
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