

FY2013 Consolidated Results
FY2014 Consolidated Forecasts

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UBE INDUSTRIES,LTD.

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FY2013 Consolidated Results

Scope of Consolidation - FY2013 Consolidated Results -

| Item | End of FY2012 (A) | End of FY2013 (B) | Change (B) - (A) | Notes |
|-------------------------------------|----------------------|----------------------|---------------------|--|
| Number of consolidated subsidiaries | 67 | 65 | -2 | Newly Included: 1 Newly Excluded: 3 |
| Number of equity method affiliates | 25 | 24 | -1 | Newly Excluded: 1 |
| Total | 92 | 89 | -3 | |

Environmental Factors - FY2013 Consolidated Results -

(Billion Yen)

| Item | | FY2012 (A) | FY2013 (B) | Change (B) - (A) | Impacts on Consolidated OP Income | |
|----------------|---|---------------|---------------|---------------------|---|----------------|
| Exchange Rate | Yen/\$ | 83.1 | 100.2 | 17.1 | -0.2 | |
| Material Price | (CIF) Naphtha (Domestic) | \$/ t | 965 | 940 | -25 | 0.6 |
| | | Yen/KL | 57,500 | 67,300 | 9,800 | (-2.9) |
| | Benzene (Average of US and Euro Contract Price) | \$/ t | 1,312 | 1,332 | 20 | -0.5 (-9.7) |
| | Australian Coal (CIF) | \$/ t | 126.8 | 110.9 | -15.9 | 2.4 |
| | | Yen/t | 10,540 | 11,117 | 577 | (-1.1) |

() :Including impacts from fluctuation of exchange rate

Major P/L & B/S Items - FY2013 Consolidated Results -

(Billion Yen)

| Item | FY2012 (A) | FY2013 (B) | Change (B) - (A) |
|----------------------|----------------------|----------------------|---------------------|
| Sales | 626.0 | 650.5 | 24.4 |
| Operating income | 29.9 | 24.4 | -5.5 |
| Ordinary income | 28.0 | 18.6 | -9.3 |
| Net income | 8.2 | 12.6 | 4.3 |
| Item | End of FY2012 (A) | End of FY2013 (B) | Change (B) - (A) |
| Total assets | 685.8 | 700.7 | 14.8 |
| Debt | 246.6 | 245.8 | -0.8 |
| Net debt | 210.6 | 215.7 | 5.0 |
| Equity capital *1 | 215.5 | 241.7 | 26.2 |
| Dividend(Yen /Share) | 5.0 | 5.0 | 0.0 |

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

Non Operating Items - FY2013 Consolidated Results -

(Billion Yen)

| Item | | FY2012 (A) | FY2013 (B) | Change (B) - (A) |
|----------------------|---|---------------|---------------|---------------------|
| Operating income | | 29.9 | 24.4 | -5.5 |
| Non operating income | Net interest expense | -2.6 | -2.0 | 0.5 |
| | Equity in earnings of unconsolidated subsidiaries and affiliated companies | 1.2 | 0.0 | -1.2 |
| | Foreign currency gain/loss | 1.3 | 0.2 | -1.0 |
| | Others | -1.8 | -3.8 | -2.0 |
| | Total | -1.9 | -5.7 | -3.8 |
| Ordinary income | | 28.0 | 18.6 | -9.3 |

Extraordinary Items - FY2013 Consolidated Results -

(Billion Yen)

| Item | FY2012 (A) | FY2013 (B) | Change (B) - (A) |
|--------------------------------------|---------------|---------------|---------------------|
| Gain on negative goodwill | 0.0 | 2.8 | 2.7 |
| Loss on disposal of PP&E | -8.4 | -0.7 | 7.6 |
| Loss on impairment | -3.1 | -0.1 | 3.0 |
| Loss on related business | -2.7 | 0.0 | 2.6 |
| Loss on stop of equipment | - | -1.1 | -1.1 |
| Others | 2.0 | 0.2 | -1.7 |
| Extraordinary loss | -12.2 | 0.9 | 13.1 |
| Net extraordinary income/loss | 15.8 | 19.6 | 3.8 |

Operating Income - Net Income - FY2013 Consolidated Results -

(Billion Yen)

| Item | FY2012 (A) | FY2013 (B) | Change (B) - (A) |
|--|---------------|---------------|---------------------|
| Operating income | 29.9 | 24.4 | -5.5 |
| Non operating item | -1.9 | -5.7 | -3.8 |
| Ordinary income | 28.0 | 18.6 | -9.3 |
| Extraordinary item | -12.2 | 0.9 | 13.1 |
| Income before income tax and minority interest | 15.8 | 19.6 | 3.8 |
| Income tax and minority interest | -7.5 | -7.0 | 0.5 |
| Net income | 8.2 | 12.6 | 4.3 |
| Net income per share(Yen/Share) | 8.22yen | 12.16yen | 3.94yen |

Sales by Segment

- FY2013 Consolidated Results -

(Billion Yen)

| Segment | FY2012 (A) | FY2013 (B) | Change (B) - (A) | Major Factors |
|---------------------------------|---------------|---------------|---------------------|--|
| Chemicals & Plastics | 219.3 | 230.5 | 11.2 | Caprolactam chain 9.6 Synthetic rubber 1.6 |
| Specialty Chemicals & Products | 61.1 | 63.1 | 2.0 | Specialty products -0.1 Fine chemicals 2.1 |
| Pharmaceutical | 11.4 | 9.7 | -1.7 | |
| Cement & Construction Materials | 208.3 | 223.5 | 15.1 | Cement and Ready-mixed concrete 9.9 Construction materials and limestone related products 3.0, etc. |
| Machinery & Metal Products | 71.3 | 75.5 | 4.2 | |
| Energy & Environment | 68.7 | 59.0 | -9.6 | Coal 1.6, Power -11.7, etc |
| Others | 25.2 | 28.8 | 3.5 | |
| Adjustment | -39.6 | -39.8 | -0.2 | |
| Total | 626.0 | 650.5 | 24.4 | Increased by 3.9% |

Operating Income by Segment - FY2013 Consolidated Results -

(Billion Yen)

| Segment | FY2012 (A) | FY2013 (B) | Change (B) - (A) | Major Factors |
|---------------------------------|---------------|---------------|---------------------|--|
| Chemicals & Plastics | 5.0 | 0.8 | -4.2 | Caprolactam chain -4.4 Synthetic rubber 0.2 |
| Specialty Chemicals & Products | 1.2 | -0.4 | -1.6 | Specialty products -2.3 Fine chemicals 0.7 |
| Pharmaceutical | 3.4 | 1.6 | -1.7 | |
| Cement & Construction Materials | 11.4 | 15.5 | 4.0 | Cement and Ready-mixed concrete 3.5 Construction materials and limestone related products 0.5, etc. |
| Machinery & Metal Products | 3.6 | 4.4 | 0.7 | |
| Energy & Environment | 5.9 | 1.9 | -3.9 | Coal -0.5, Power -3.5, etc |
| Others | 1.0 | 1.0 | 0.0 | |
| Adjustment | -1.9 | -0.6 | 1.2 | |
| Total | 29.9 | 24.4 | -5.5 | Decreased by 18.5% |

Analysis of Operating Income - FY2013 Consolidated Results -

(Billion Yen)

| Segment | Operating Income | | | | | | |
|---------------------------------|------------------|---------------|---------------------|--------------|-----------------|---------------|--------------|
| | FY2012 (A) | FY2013 (B) | Change (B) - (A) | Price *1 | Sales Volume | Fixed Cost | Others *2 |
| Chemicals & Plastics | 5.0 | 0.8 | -4.2 | -5.9 | 1.7 | 2.5 | -2.5 |
| Specialty Chemicals & Products | 1.2 | -0.4 | -1.6 | -2.5 | 1.1 | 0.2 | -0.4 |
| Pharmaceutical | 3.4 | 1.6 | -1.7 | -1.5 | -1.0 | 0.1 | 0.6 |
| Cement & construction Materials | 11.4 | 15.5 | 4.0 | 1.1 | 3.3 | 0.1 | -0.5 |
| Machinery & Metal Products | 3.6 | 4.4 | 0.7 | -0.1 | 0.4 | 0.4 | 0.1 |
| Energy & Environment | 5.9 | 1.9 | -3.9 | -1.2 | -3.7 | 0.7 | 0.1 |
| Others | 1.0 | 1.0 | 0.0 | 0.1 | -0.1 | 0.3 | -0.3 |
| Adjustment | -1.9 | -0.6 | 1.2 | - | - | 1.2 | 0.1 |
| Total | 29.9 | 24.4 | -5.5 | -10.0 | 1.8 | 5.5 | -2.9 |

*1: Including both selling and purchase change *2: Including inventory valuation changes -2.6

Consolidated Balance Sheet

- FY2013 Consolidated Results -

(Billion Yen)

| Item | End of FY2012 (A) | End of FY2013 (B) | Change (B) - (A) |
|---|----------------------|----------------------|---------------------|
| Current assets | 287.3 | 296.5 | 9.1 |
| Fixed assets | 398.3 | 404.0 | 5.6 |
| Total assets | 685.8 | 700.7 | 14.8 |
| Interest-bearing debts | 246.6 | 245.8 | -0.8 |
| Other liabilities | 188.4 | 189.5 | 1.0 |
| Total liabilities | 435.1 | 435.3 | 0.2 |
| Equity capital *1 | 215.5 | 241.7 | 26.2 |
| Minority interests and others | 35.2 | 23.6 | -11.6 |
| Total net assets | 250.7 | 265.3 | 14.6 |
| Total liabilities and net assets | 685.8 | 700.7 | 14.8 |

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

Consolidated Statements of Cash Flows - FY2013 Consolidated Results -

(Billion Yen)

| Item | FY2012 | FY2013 | |
|---|--------------|--------------|--|
| A.Cash flows from operating activities | 46.1 | 37.0 | Income before tax and minority interests 19.6 Depreciation and amortization 32.4 Working capital -1.9, Payment of Tax and others -7.0, Gain on negative goodwill -2.8, etc. |
| B.Cash flows from investing activities | -39.0 | -40.7 | Acquisition of PP&E -36.2, Acquisition of equity of affiliated company -3.0, etc. |
| Free cash flows (A+B) | 7.0 | -3.6 | |
| C.Cash flows from financing activities | -5.8 | -7.4 | Increase/Decrease in interest-bearing debts -1.4 Dividends paid -5.7, etc. |
| D.Net increase/decrease in cash and cash equivalents | 2.8 | -5.8 | Includes increase by change of affiliated companies' accounting period 3.2 |
| E.Cash and cash equivalents at end of the quarter | 35.9 | 30.0 | |

FY2014 Consolidated Forecasts

Scope of Consolidation - FY2014 Consolidated Forecasts -

| Item | End of FY2013 (A) | End of FY2014 (B) | Change (B) - (A) | Notes |
|-------------------------------------|-------------------------|-------------------------|---------------------|-------------------|
| Number of consolidated subsidiaries | 65 | 66 | +1 | Newly Included: 1 |
| Number of equity method affiliates | 24 | 26 | +2 | Newly Included: 2 |
| Total | 89 | 92 | +3 | |

Environmental Factors - FY14 Consolidated Forecasts -

(Billion Yen)

| Item | | FY2013 (A) | FY2014 (B) | Change (B) - (A) | Impacts on Consolidated OP Income | |
|----------------|---|---------------|---------------|---------------------|---|----------------|
| Exchange Rate | Yen/\$ | 100.2 | 105.0 | 4.8 | 0.0 | |
| Material Price | (CIF) Naphtha (Domestic) | \$/ t | 940 | 950 | 10 | -0.2 (-1.4) |
| | | Yen/KL | 67,300 | 71,300 | 4,000 | |
| | Benzene (Average of US and Euro Contract Price) | \$/ t | 1,332 | 1,358 | 26 | -0.7 (-2.6) |
| | Australian Coal (CIF) | \$/ t | 110.9 | 101.7 | -9.2 | 1.8 (0.9) |
| | | Yen/t | 11,117 | 10,675 | -442 | |

() : including impacts from fluctuation of exchange rate

Major P/L & B/S Items - FY14 Consolidated Forecasts -

(Billion Yen)

| Item | FY2013 (A) | FY2014 (B) | Change (B) - (A) |
|----------------------|----------------------|----------------------|---------------------|
| Sales | 650.5 | 670.0 | 19.5 |
| Operating income | 24.4 | 30.0 | 5.6 |
| Ordinary income | 18.6 | 24.0 | 5.4 |
| Net income | 12.6 | 13.5 | 0.9 |
| Item | End of FY2013 (A) | End of FY2014 (B) | Change (B) - (A) |
| Total assets | 700.7 | 720.0 | 19.3 |
| Debt | 245.8 | 246.0 | 0.2 |
| Net debt | 215.7 | 216.0 | 0.3 |
| Equity capital *1 | 241.7 | 250.0 | 8.3 |
| Dividend(Yen /Share) | 5.0 | 5.0 | 0.0 |

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

Operating Income - Net Income - FY14 Consolidated Forecasts -

(Billion Yen)

| Item | FY2013 (A) | FY2014 (B) | Change (B) - (A) |
|---|---------------|---------------|---------------------|
| Operating income | 24.4 | 30.0 | 5.6 |
| Non operating item | -5.7 | -6.0 | -0.3 |
| Ordinary income | 18.6 | 24.0 | 5.4 |
| Extraordinary item | 0.9 | -2.0 | -2.9 |
| Income before income tax and minority interest | 19.6 | 22.0 | 2.4 |
| Income tax and minority interest | -7.0 | -8.5 | -1.5 |
| Net income | 12.6 | 13.5 | 0.9 |
| Net income per share(Yen/Share) | 12.16yen | 12.76yen | 0.60yen |

Sales by Segment

- FY14 Consolidated Forecasts -

(Billion Yen)

| Segment | FY2013 (A) | FY2014 (B) | Change (B) - (A) | Major Factors |
|---------------------------------|---------------|---------------|---------------------|--|
| Chemicals & Plastics | 230.5 | 227.0 | -3.5 | Caprolactam chain -11.8 Synthetic rubber 8.3 |
| Specialty Chemicals & Products | 63.1 | 73.0 | 9.9 | Specialty products 6.5 Fine chemicals 3.4 |
| Pharmaceutical | 9.7 | 10.0 | 0.3 | |
| Cement & Construction Materials | 223.5 | 228.0 | 4.5 | Cement and Ready-mixed concrete 1.9 Construction materials and limestone related products 1.0, etc. |
| Machinery & Metal Products | 75.5 | 77.0 | 1.5 | |
| Energy & Environment | 59.0 | 64.0 | 5.0 | Coal 0.5, Power 4.8, etc |
| Others | 28.8 | 31.0 | 2.2 | |
| Adjustment | -39.8 | -40.0 | -0.2 | |
| Total | 650.5 | 670.0 | 19.5 | Increasing by 3.0% |

Operating Income by Segment - FY14 Consolidated Forecasts -

(Billion Yen)

| Segment | FY2013 (A) | FY2014 (B) | Change (B) - (A) | Major Factors |
|---------------------------------|---------------|---------------|---------------------|---|
| Chemicals & Plastics | 0.8 | 4.5 | 3.7 | Caprolactam chain 2.5 Synthetic rubber 1.2 |
| Specialty Chemicals & Products | -0.4 | 1.0 | 1.4 | Specialty products 1.0 Fine chemicals 0.4. |
| Pharmaceutical | 1.6 | 1.7 | 0.1 | |
| Cement & Construction Materials | 15.5 | 15.5 | 0.0 | |
| Machinery & Metal Products | 4.4 | 4.5 | 0.1 | |
| Energy & Environment | 1.9 | 2.5 | 0.6 | Coal 0.5, etc |
| Others | 1.0 | 1.0 | 0.0 | |
| Adjustment | -0.6 | -0.7 | -0.1 | |
| Total | 24.4 | 30.0 | 5.6 | Increasing by 22.9% |

Analysis of Operating Income - FY2014 Consolidated Forecasts -

(Billion Yen)

| Segment | Operating Income | | | | | | |
|---------------------------------|------------------|---------------|---------------------|--------------|-----------------|---------------|------------|
| | FY2013 (A) | FY2014 (B) | Change (B) - (A) | Price * | Sales Volume | Fixed Cost | Others |
| Chemicals & Plastics | 0.8 | 4.5 | 3.7 | -3.6 | 3.0 | 0.6 | 3.7 |
| Specialty Chemicals & Products | -0.4 | 1.0 | 1.4 | -5.7 | 7.1 | -1.4 | 1.4 |
| Pharmaceutical | 1.6 | 1.7 | 0.1 | -0.1 | -0.1 | -0.2 | 0.4 |
| Cement & construction Materials | 15.5 | 15.5 | 0.0 | -0.9 | 0.7 | -0.8 | 0.9 |
| Machinery & Metal Products | 4.4 | 4.5 | 0.1 | 0.1 | -0.1 | -0.3 | 0.3 |
| Energy & Environment | 1.9 | 2.5 | 0.6 | 0.1 | 0.9 | -0.4 | 0.0 |
| Others | 1.0 | 1.0 | 0.0 | 0.0 | 0.0 | -0.1 | 0.0 |
| Adjustment | -0.6 | -0.7 | -0.1 | - | - | -0.1 | 0.0 |
| Total | 24.4 | 30.0 | 5.6 | -10.1 | 11.6 | -2.7 | 6.8 |

*Including both selling and purchase change

Appendix

Management Indices - FY2014 Consolidated Forecasts -

| Item | Computation | Unit | FY2012 (Result) | FY2013 (Result) | FY2014 (Forecast) |
|------------------------|----------------------------------|-------|--------------------|--------------------|----------------------|
| Net D/E Ratio | Net debt /Equity capital | Times | 0.98 | 0.89 | 0.86 |
| Equity Ratio | Equity capital /Total assets | % | 31.4 | 34.5 | 34.7 |
| Operating margin | Operating Income /Sales | % | 4.8 | 3.8 | 4.5 |
| Return on Assets (ROA) | Business income /Total assets | % | 4.8 | 3.6 | 4.4 |
| Return on Equity (ROE) | Net income /Equity capital | % | 4.0 | 5.5 | 5.5 |

Note: Business income = Operating income + Interest and dividend income
+ Equity income of unconsolidated subsidiaries and affiliates

R&D Expenses, Capital Investment and Depreciation

(Billion Yen)

| Item | FY2012 | FY2013 | FY2014 |
|-----------------------------------|-------------|-------------|-------------|
| Research and development expenses | 14.0 | 13.9 | 15.0 |
| Capital investment | 40.9 | 36.3 | 47.0 |
| Depreciation and amortization | 31.3 | 32.4 | 35.0 |

Major Items for Capital Expenditure

| Segment | Subject | Place | Estimated completion date |
|-----------------------|--|--------------|---------------------------|
| Chemicals & Plastics | Upgrade of extrusion machinery for nylon compounds | Ube, Japan | May 2014 |
| | New plant for synthetic rubber (JV) | Malaysia | November 2014 |
| | Additional facilities for producing nylon 6 | Spain | March 2015 |
| Specialty Chemicals & | Additional facilities for producing separators | Sakai, Japan | FY2014~FY2017 |
| Cement & Construction | Waste heat power generation equipment | Kanda, Japan | December 2015 |
| | Development of Kanayamadai mining zone | Isa, Japan | October 2017 |
| Energy & Environment | Recovery of Independent Power Producer plant | Ube, Japan | Latter half of FY14 |

Major Subsidiaries - FY2013 Consolidated Results -

(Billion Yen)

| Subsidiaries and Affiliates | | Business | Sales FY2013 | Operating income change from FY2012 |
|--|--------------------------------------|--|-----------------|--|
| Chemicals & Plastics | UBE CHEMICALS (ASIA) PUBLIC CO., LTD | Manufacture and sales of caprolactam and polyamide resin | 45.7 | ↓ |
| | UBE CHEMICAL EUROPE, S.A. | Manufacture and sales of caprolactam. | 35.5 | ↓ |
| | THAI SYNTHETIC RUBBERS CO., LTD. | Manufacture and sales of polybutadiene | 14.8 | ↑ |
| | UBE ENGINEERING PLASTICS, S.A. | Manufacture and sales of polyamide resin | 12.6 | ↑ |
| | UBE AMMONIA INDUSTRY, LTD. | Manufacture and sales of ammonia | 13.9 | → |
| | UBE FILM, LTD. | Manufacture and sales of plastic-film products | 9.2 | → |
| Specialty Chemicals & Products | UBE EXSYMO CO.,LTD | Manufacture and sales of electronics & IT materials, FRP, | 12.4 | ↓ |
| Cement & Construction Materials | UBE CONSTRUCTION MATERIALS SALES | Sales of construction materials | 55.1 | ↑ |
| | UBE MATERIAL INDUSTRIES,LTD. | Manufacture and sales of Mangesium, Limestone products | 39.4 | ↑ |
| | UBE SHIPPING & LOGISTICS, LTD. | Domestic shipping, harbor transportation, shipping-agent services and customs clearing | 20.7 | ↑ |
| | KANTO UBE CONCRETE CO., LTD. | Manufacture and sales of ready-mixed concrete | 11.8 | ↓ |
| Machinery & Metal Products | UBE MACHINERY CORPORATION, L | Manufacture and sales of industrial machinery and bridges | 44.1 | ↓ |
| | UBE STEEL CO., LTD. | Manufacture and sales of cast iron, steel produ | 20.1 | ↑ |
| Energy & Environment | UBE C&A CO., LTD. | Sales of imported steaming coal from Australia and other countries | 30.8 | ↓ |

Note: ↑ ↓ :Represent an increase or decrease of over 0.1 billion JPY



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