

**Financial Results for the  
1st Quarter FY 2014**

**February 5, 2014**

**UBE INDUSTRIES, LTD.**

# Scope of Consolidation

- Financial Results for the 1st Quarter FY2014 -

Item	End of FY2013 (A)	End of FY2014 1Q (B)	Change (B) - (A)	Notes
Number of consolidated subsidiaries	65	66	+1社	UBE Machinery Thai
Number of equity method affiliates	24	24	-	
<b>Total</b>	<b>89</b>	<b>90</b>	<b>+1社</b>	

# Environmental Factors

- Financial Results for the 1st Quarter FY2014 -

(Billion Yen)

Item		FY2013 1Q (A)	FY2014 1Q (B)	Change (B) - (A)	Impacts on Consolidated OP Income	
Exchange Rate	Yen/\$	98.8	102.2	3.4	-0.1	
Material Price	(CIF) Naphtha (Domestic)	\$/ t	929	958	29	-0.2
		Yen/KL	65,500	70,000	4,500	(-0.4)
	Benzene (Average of US and Euro Contract Price)	\$/ t	1,329	1,385	56	-0.3 (-0.6)
	Australian Coal (CIF)	\$/ t	111.6	95.7	-15.9	0.6
		Yen/t	11,022	9,779	-1,243	(0.4)

( ) :Including impacts from fluctuation of exchange rate

# Major P/L & B/S Items

- Financial Results for the 1st Quarter FY2014 -

(Billion Yen)

Item	FY2013 1Q (A)	FY2014 1Q (B)	Change (B) - (A)
Sales	153.4	148.5	-4.8
Operating income	1.2	0.2	-1.0
Ordinary income	0.0	-0.3	-0.4
Net income	-0.2	-1.1	-0.9
Item	End of FY2013 (A)	End of FY2014 1Q (B)	Change (B) - (A)
Total assets	700.7	698.8	-1.8
Debt	245.8	253.4	7.6
Net debt	215.7	221.5	5.8
Equity capital *1	241.7	235.7	-5.9

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

# Sales by Segment

- Financial Results for the 1st Quarter FY2014 -

(Billion Yen)

Segment	FY2013 1Q (A)	FY2014 1Q (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	53.0	49.8	-3.2	Caprolactam chain $\Delta$ 4.4 Synthetic rubber 1.2
Specialty Chemicals & Products	15.7	14.6	-1.1	Specialty products $\Delta$ 1.0 Fine chemicals $\Delta$ 0.1
Pharmaceutical	1.8	1.2	-0.5	
Cement & Construction Materials	52.5	54.3	1.8	Cement and Ready-mixed concrete 1.3 Construction materials and Quicklime related products 0.6, etc,
Machinery & Metal Products	18.1	15.7	-2.4	
Energy & Environment	12.9	14.4	1.5	Coal 1.8, Power -0.2, etc,
Others	7.4	8.5	1.0	
Adjustment	-8.2	-10.2	-1.9	
<b>Total</b>	<b>153.4</b>	<b>148.5</b>	<b>-4.8</b>	Decreased by 3.2%

# Operating Income by Segment

## - Financial Results for the 1st Quarter FY2014 -

(Billion Yen)

Segment	FY2013 1Q (A)	FY2014 1Q (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	-2.9	-2.0	0.9	Caprolactam chain 0.9
Specialty Chemicals & Products	0.0	-0.8	-0.8	Specialty products -0.6 Fine chemicals -0.2
Pharmaceutical	0.2	-0.1	-0.4	
Cement & Construction Materials	2.7	2.8	0.0	Cement and Ready-mixed concrete -0.4 Construction materials and Quicklime related products 0.4, etc.
Machinery & Metal Products	1.2	0.0	-1.3	
Energy & Environment	0.0	0.4	0.5	Power 0.6 etc.
Others	0.2	0.1	0.0	
Adjustment	-0.2	-0.1	0.0	
<b>Total</b>	<b>1.2</b>	<b>0.2</b>	<b>-1.0</b>	Decreased by 82.1%

# Analysis of Operating Income

## - Financial Results for the 1st Quarter FY2014 -

(Billion Yen)

Segment	Operating Income						
	FY2013 1Q (A)	FY2014 1Q (B)	Change (B) - (A)	Price *1	Sales Volume	Fixed Cost	Others *2
Chemicals & Plastics	-2.9	-2.0	0.9	-2.3	0.4	0.5	2.3
Specialty Chemicals & Products	0.0	-0.8	-0.8	-0.9	-0.2	-0.1	0.4
Pharmaceutical	0.2	-0.1	-0.4	0.0	-0.3	0.0	0.0
Cement & construction Materials	2.7	2.8	0.0	-0.4	0.3	-0.1	0.2
Machinery & Metal Products	1.2	0.0	-1.3	-0.3	0.1	-0.3	*3 -0.6
Energy & Environment	0.0	0.4	0.5	0.1	-0.5	0.8	0.0
Others	0.2	0.1	0.0	0.0	0.0	0.0	0.0
Adjustment	-0.2	-0.1	0.0	-	-	0.0	0.0
<b>Total</b>	<b>1.2</b>	<b>0.2</b>	<b>-1.0</b>	<b>-3.9</b>	<b>-0.1</b>	<b>0.7</b>	<b>2.3</b>

\*1: Including both selling and purchase change    \*2: Including inventory valuation changes 1.4

\*3: Including marginal profit on machinery product -0.7

# Non Operating Items

- Financial Results for the 1st Quarter FY2014 -

(Billion Yen)

Item		FY2013 1Q (A)	FY2014 1Q (B)	Change (B) - (A)
Operating income		1.2	0.2	-1.0
Non operating income	Net interest expense	-0.4	-0.1	0.3
	Equity in earnings of unconsolidated subsidiaries and affiliated companies	0.3	0.0	-0.2
	Others	-1.0	-0.5	0.4
	Total	-1.2	-0.6	0.5
Ordinary income		0.0	-0.3	-0.4



# Extraordinary Items

- Financial Results for the 1st Quarter FY2014 -

(Billion Yen)

Item		FY2013 1Q (A)	FY2014 1Q (B)	Change (B) - (A)
	Loss on disposal of PP&E	-0.3	-0.7	-0.3
	Loss on stop of equipment	-	-0.3	-0.3
	Net extraordinary income/loss loss	-0.2	-1.0	-0.7

# Operating Income - Net Income

- Financial Results for the 1st Quarter FY2014 -

(Billion Yen)

Item	FY2013 1Q (A)	FY2014 1Q (B)	Change (B) - (A)
Operating income	1.2	0.2	-1.0
Non operating item	-1.2	-0.6	0.5
Ordinary income	0.0	-0.3	-0.4
Extraordinary item	-0.2	-1.0	-0.7
Income before income tax and minority interest	-0.2	-1.4	-1.2
Income tax and minority interest	0.0	0.2	0.2
Net income	-0.2	-1.1	-0.9
Net income per share(Yen/Share)	-0.27yen	-1.13yen	-0.86yen

# Consolidated Balance Sheet

## - Financial Results for the 1st Quarter FY2014 -

(Billion Yen)

Item	End of FY2013 (A)	End of FY2014 1Q (B)	Change (B) - (A)
Current assets	296.5	291.6	-4.9
Fixed assets	404.0	407.0	2.9
Total assets	700.7	698.8	-1.8
Interest-bearing debts	245.8	253.4	7.6
Other liabilities	189.5	186.9	-2.6
Total liabilities	435.3	440.3	4.9
Equity capital *1	241.7	235.7	-5.9
Minority interests and others	23.6	22.7	-0.9
Total net assets	265.3	258.4	-6.8
Total liabilities and net assets	700.7	698.8	-1.8

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

# Consolidated Statements of Cash Flows

## - Financial Results for the 1st Quarter FY2014 -

(Billion Yen)

Item	FY2013 1Q	FY2014 1Q	
A.Cash flows from operating activities	12.0	11.3	Income/losses before income tax and minority interests -1.4 Depreciation and amortization 8 Working capital 2.2, etc.
B.Cash flows from investing activities	-10.1	-12.2	Acquisition of PP&E -12, etc.
Free cash flows (A+B)	1.8	-0.8	
C.Cash flows from financing activities	1.1	2.3	Increase/decrease in interest-bearing debts 7.7 Dividends -5.3, etc.
D.Net increase/decrease in cash and cash equivalents	7.3	1.7	Increase in cash resulting from change of scope of consolidation 0.5
E.Cash and cash equivalents at end of the quarter	43.2	31.8	

# Appendix

# Major Subsidiaries

- Financial Results for the 1st Quarter FY2014 -

(Billion Yen)

Subsidiaries and Affiliates	Business	Sales FY2014 1Q	Operating income change from FY2013 1Q
UBE CHEMICALS (ASIA) PUBLIC CO., LTD	Manufacture and sales of caprolactam and polyamide resin	9.7	↑
UBE CHEMICAL EUROPE, S.A.	Manufacture and sales of caprolactam, ammonium sulfate and fine chemicals	7.3	↓
THAI SYNTHETIC RUBBERS CO., LTD.	Manufacture and sales of polybutadiene	3.5	↑
UBE ENGINEERING PLASTICS, S.A.	Manufacture and sales of polyamide resin	3.2	→
UBE AMMONIA INDUSTRY, LTD.	Manufacture and sales of ammonia	2.7	→
UBE FILM, LTD.	Manufacture and sales of plastic-film products	2.1	↓
UBE EXSYMO CO.,LTD	Manufacture and sales of electronics & IT materials, FRP, industrial materials and fiber-reinforced plastics	2.6	↓
UBE CONSTRUCTION MATERIALS SALES CO., LTD.	Sales of construction materials	14.4	→
UBE MATERIAL INDUSTRIES,LTD.	Manufacture and sales of Mangesium, Limestone products	9.4	↑
UBE SHIPPING & LOGISTICS, LTD.	Coastal Shipping, Harbor Transport Business, Container Business, Trading Business and Technological Consultant Business	4.7	→
Ready-mixed concrete consolidated subsidiaries	Manufacture and sales of ready-mixed concrete	9.7	↓
UBE MACHINERY CORPORATION, LTD.	Manufacture and sales of industrial machinery and bridges	9.3	↓
UBE STEEL CO., LTD.	Manufacture and sales of cast iron, steel products and rolled steel billets	4.7	↓
UBE C&A CO., LTD.	Sales of imported steaming coal from Australia and other countries	7.8	→

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



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