

Financial Results for the 3rd Quarter FY 2015

February 2, 2016

UBE INDUSTRIES, LTD.

※This "3rd Quarter(3Q)" date states information for 9 month total.

Scope of Consolidation

- Financial Results for the 3rd Quarter FY2015 -

Item	End of FY2014 (A)	End of FY2015 3Q (B)	Change (B) - (A)	Notes
Number of consolidated subsidiaries	71	70	-1	+ Sanshin Tsusho Co., Ltd. - Advanced Electrolyte Technologies (USA) LLC - Advanced Electrolyte Technologies (Europe) S.L.
Number of equity method affiliates	24	25	1	+ Lotte Ube Synthetic Rubber SDN. BHD.
Total	95	95	0	

Environmental Factors

- Financial Results for the 3rd Quarter FY2015 -

(Billion Yen)

Item		FY2014 3Q (A)	FY2015 3Q (B)	Change (B) - (A)	Impacts on Consolidated OP Income	
Exchange Rate	Yen/\$	106.9	121.7	14.8	1.3	
Material Price	(CIF) Naphtha (Domestic)	\$/ t	913	517	-396	7.1
		Yen/KL	68,400	45,700	-22,700	(5.8)
	Benzene(ACP)	\$/ t	1,237	704	-533	13.2
	Benzene(USCP)	\$/ t	1,341	735	-606	(10.7)
	Australian Coal (CIF)	\$/ t	92.4	75.2	-17.2	3.4
	Yen/t	9,879	9,156	-723	(1.3)	

() :Including impacts from fluctuation of exchange rate

Major P/L & B/S Items

- Financial Results for the 3rd Quarter FY2015 -

(Billion Yen)

Item	FY2014 3Q (A)	FY2015 3Q (B)	Change (B) - (A)
Sales	473.7	482.3	8.5
Operating income	14.3	31.2	16.9
Ordinary income	13.9	30.1	16.2
Profit attributable to owners of parent	5.1	19.2	14.0
Item	End of FY2014 (A)	End of FY2015 3Q (B)	Change (B) - (A)
Total assets	711.5	705.8	-5.6
Debt	239.7	227.2	-12.4
Net debt	202.7	197.5	-5.2
Equity capital *1	263.3	272.9	9.5

*1: Equity capital = Net assets - Share subscription rights - Non Controlling Interests

Sales by Segment

- Financial Results for the 3rd Quarter FY2015 -

(Billion Yen)

Segment	FY2014 3Q (A)	FY2015 3Q (B)	Change (B) - (A)	Major Factors
Chemicals	207.5	203.2	-4.3	Nylon/Caprolactam chain Δ 7.2, Synthetic rubber Δ 1.2, Battery Materials and Fine Chemicals 4.3, Polyimide and Specialty Products Δ 0.4, etc
Pharmaceutical	6.0	5.7	-0.3	
Cement & Construction Materials	166.9	179.8	12.9	Cement and Ready-mixed concrete 15.8, Construction materials and Limestone related products -2.3, etc
Machinery & Metal Products	53.6	51.7	-1.8	
Energy & Environment	49.6	53.2	3.6	Coal -2.0, Power 5.8, etc
Others	12.8	12.5	-0.2	
Adjustment	-22.8	-24.0	-1.1	
Total	473.7	482.3	8.5	Increased by 1.8%

The former Chemicals & Plastics segment and Specialty Chemicals & Products segment are included in the Chemicals segment as of April 1, 2015. Results for the FY2014 (year ended March 31, 2015) have been restated accordingly to allow comparison. Following slides are conducted similarly.

Operating Income by Segment

- Financial Results for the 3rd Quarter FY2015 -

(Billion Yen)

Segment	FY2014 3Q (A)	FY2015 3Q (B)	Change (B) - (A)	Major Factors
Chemicals	-3.4	9.5	13.0	Nylon/Caprolactam chain 9.0, Synthetic rubber 0.6, Battery Materials and Fine Chemicals 1.5, Polyimide and Specialty Products 1.1, etc
Pharmaceutical	1.0	0.5	-0.5	
Cement & Construction Materials	12.5	15.7	3.2	Cement and Ready-mixed concrete 2.7, Construction materials and Limestone related products 0.6, etc
Machinery & Metal Products	1.8	2.5	0.7	
Energy & Environment	1.8	2.6	0.7	Power 0.6, etc
Others	0.8	0.8	0.0	
Adjustment	-0.4	-0.7	-0.2	
Total	14.3	31.2	16.9	Increased by 118.0%

Analysis of Operating Income

- Financial Results for the 3rd Quarter FY2015 -

(Billion Yen)

Segment	Operating Income						
	FY2014 3Q (A)	FY2015 3Q (B)	Change (B) - (A)	Price *1	Sales Volume	Fixed Cost	Others *2
Chemicals	-3.4	9.5	13.0	8.7	4.4	0.7	-0.7
Pharmaceutical	1.0	0.5	-0.5	-0.0	-1.0	-0.0	0.5
Cement & construction Materials	12.5	15.7	3.2	3.8	-0.9	-0.8	1.1
Machinery & Metal Products	1.8	2.5	0.7	0.8	-0.2	0.2	*3 -0.0
Energy & Environment	1.8	2.6	0.7	0.5	2.1	-1.5	-0.4
Others	0.8	0.8	0.0	0.0	0.0	-0.0	0.0
Adjustment	-0.4	-0.7	-0.2	-	-	-0.2	-0.1
Total	14.3	31.2	16.9	13.8	4.4	-1.7	0.4

*1: Including both selling and purchase change *2: Including inventory valuation changes and lowest cost accounting

*3: Including marginal profit on machinery product 0.1

Non Operating Items

- Financial Results for the 3rd Quarter FY2015 -

(Billion Yen)

Item		FY2014 3Q (A)	FY2015 3Q (B)	Change (B) - (A)
Operating income		14.3	31.2	16.9
Non operating income	Net interest expense	-0.9	-0.8	0.1
	Equity in earnings of unconsolidated subsidiaries and affiliated companies	0.9	2.5	1.6
	Foreign currency gain/loss	1.1	-0.7	-1.9
	Others	-1.5	-2.1	-0.5
	Total	-0.4	-1.1	-0.6
Ordinary income		13.9	30.1	16.2

Extraordinary Items

- Financial Results for the 3rd Quarter FY2015 -

(Billion Yen)

Item	FY2014 3Q (A)	FY2015 3Q (B)	Change (B) - (A)
Gain on disposal of PP&E	0.5	0.3	-0.2
Reversal of accrued expenses from business withdrawal	-	1.5	1.5
Loss on disposal of PP&E	-1.9	-4.2	-2.2
Loss on impairment	-1.1	-0.3	0.8
Loss on valuation of investment securities	-0.0	-0.2	-0.2
Loss on business of subsidiaries and affiliates	-3.2	-0.4	2.8
Loss on stop of equipment	-0.7	-	0.7
Net extraordinary income/loss	-6.4	-3.2	3.2

Operating Income - Net Income

- Financial Results for the 3rd Quarter FY2015 -

(Billion Yen)

Item	FY2014 3Q (A)	FY2015 3Q (B)	Change (B) - (A)
Operating income	14.3	31.2	16.9
Non operating item	-0.4	-1.1	-0.6
Ordinary income	13.9	30.1	16.2
Extraordinary item	-6.4	-3.2	3.2
Income before income tax and minority interest	7.4	26.8	19.4
Income tax and Profit attributable to non-controlling interests	-2.3	-7.6	-5.3
Profit attributable to owners of parent	5.1	19.2	14.0
Net income per share(Yen/Share)	4.85yen	18.17yen	13.32yen

Consolidated Balance Sheet

- Financial Results for the 3rd Quarter FY2015 -

(Billion Yen)

Item	End of FY2014 (A)	End of FY2015 3Q (B)	Change (B) - (A)
Current assets	282.8	288.0	5.2
Fixed assets	428.5	417.6	-10.8
Total assets	711.5	705.8	-5.6
Interest-bearing debts	239.7	227.2	-12.4
Other liabilities	182.2	180.8	-1.4
Total liabilities	421.9	408.0	-13.9
Equity capital *1	263.3	272.9	9.5
Non Controlling Interests and others	26.2	24.9	-1.3
Total net assets	289.6	297.8	8.2
Total liabilities and net assets	711.5	705.8	-5.6

*1: Equity capital = Net assets - Share subscription rights - Non Controlling Interests

Consolidated Statements of Cash Flows

- Financial Results for the 3rd Quarter FY2015 -

(Billion Yen)

Item	FY2014 3Q	FY2015 3Q	
A.Cash flows from operating activities	25.7	35.9	Income before income tax and minority interests 26.8, Depreciation and amortization 26.5, Workig capital -10.1, Payment of Tax and others -6.2, etc
B.Cash flows from investing activities	-32.7	-23.6	Acquisition of PP&E -24.2, etc
Free cash flows (A+B)	-7.0	12.3	
C.Cash flows from financing activities	6.1	-20.2	Decrease in interest-bearing debts -14.4, Dividends -5.5, etc
D.Net increase/decrease in cash and cash equivalents	0.2	-7.2	
E.Cash and cash equivalents at end of the quarter	30.3	29.7	

Appendix

【Reference】 Major P/L & B/S Items - FY2015 Consolidated Forecasts -

(Billion Yen)

Item	FY2014 (A)		FY2015 (B)		Change (B) - (A)	
		3Q (Progress)	(B)	3Q (Progress)		3Q
Sales	641.7	473.7 (73.8%)	670.0	482.3 (72.0%)	28.3	8.5
Operating income	24.1	14.3 (59.4%)	39.0	31.2 (80.0%)	14.9	16.9
Ordinary income	23.2	13.9 (59.9%)	38.5	30.1 (78.2%)	15.3	16.2
Net income	14.6	5.1 (35.0%)	21.0	19.2 (91.4%)	6.4	14.0
Item	End of FY2014 (A)		End of FY2015 (B)		Change (B) - (A)	
Total assets	711.5		710.0		-1.5	
Debt	239.7		217.0		-22.7	
Net debt	202.7		192.0		-10.7	
Equity capital *1	263.3		275.0		11.7	
Dividend(Yen /Share)	5.0		5.0		0.0	

*1: Equity capital = Net assets - Share subscription rights - Non Controlling Interests

【Reference】 FY2015 Changes in results - Sales by Segment -

(Billion Yen)

Segment	FY2015					Full-year Forecast	Progress %
	1Q	2Q	3Q	4Q	Total		
Chemicals	70.0	66.9	66.2	-	203.2	287.0	70.8%
Pharmaceutical	1.7	1.4	2.4	-	5.7	9.5	60.1%
Cement & Construction Materials	58.9	59.3	61.6	-	179.8	240.0	75.0%
Machinery & Metal Products	14.3	19.7	17.6	-	51.7	76.0	68.1%
Energy & Environment	20.4	16.8	15.9	-	53.2	72.0	74.0%
Others	4.3	4.4	3.7	-	12.5	15.5	80.9%
Adjustment	-8.4	-6.8	-8.7	-	-24.0	-30.0	-
Total	161.3	161.8	159.0	-	482.3	670.0	72.0%

【Reference】 FY2015 Changes in results - Operating Income by Segment -

Segment	FY2015					Full-year Forecast	Progress %
	1Q	2Q	3Q	4Q	Total		
Chemicals	3.5	2.8	3.1	-	9.5	11.0	87.1%
Pharmaceutical	-0.0	0.2	0.3	-	0.5	1.2	45.5%
Cement & Construction Materials	4.2	5.5	5.9	-	15.7	19.0	83.2%
Machinery & Metal Products	0.6	1.1	0.7	-	2.5	5.0	50.9%
Energy & Environment	1.4	0.9	0.2	-	2.6	3.3	80.7%
Others	0.2	0.2	0.4	-	0.8	1.0	85.8%
Adjustment	-0.4	-0.0	-0.1	-	-0.7	-1.5	-
Total	9.5	10.9	10.7	-	31.2	39.0	80.1%

(Billion Yen)

【Reference】 Major data

- Financial Results for the 3rd Quarter FY2015 -

(Billion Yen)

Item	FY2014 3Q	FY2015 3Q	FY2015 full-year Forecast	FY2014 full-year
Capital investment	30.4	21.0	38.0	42.5
Depreciation and amortization	24.6	26.5	36.5	33.5
R&D expense	10.3	9.9	14.0	13.8
Adjusted operating profit	16.1	34.5	42.0	26.6
Debt	259.6	227.2	217.0	239.7
Net debt	229.2	197.5	192.0	202.7
Equity capital	253.7	272.9	275.0	263.3
Total assets	729.8	705.8	710.0	711.5
Net D/E Ratio (times)	0.90	0.72	0.70	0.77
Equity Ratio (%)	34.8	38.7	38.7	37.0
Operating margin (%)	3.0	6.5	5.8	3.8
Return on Assets [ROA] (%)	-	-	5.9	3.8
Return on Equity [ROE] (%)	-	-	7.8	5.8
number of employees	10,832	10,822	10,800	10,702

【Reference】 Major Subsidiaries

- Financial Results for the 3rd Quarter FY2015 -

(Billion Yen)

Subsidiaries and Affiliates	Business	Sales FY2015 3Q	Operating income change from FY2014 3Q
UBE CHEMICALS (ASIA) PUBLIC CO., LTD	Manufacture and sales of caprolactam and polyamide resin	31.4	↑
UBE CHEMICAL EUROPE, S.A.	Manufacture and sales of caprolactam, ammonium sulfate and fine chemicals	24.2	↑
THAI SYNTHETIC RUBBERS CO., LTD.	Manufacture and sales of polybutadiene	9.3	↓
UBE ENGINEERING PLASTICS, S.A.	Manufacture and sales of polyamide resin	9.4	↑
UBE AMMONIA INDUSTRY, LTD.	Manufacture and sales of ammonia	10.1	↑
UBE FILM, LTD.	Manufacture and sales of plastic-film products	6.9	↑
UBE EXSYMO CO.,LTD	Manufacture and sales of electronics & IT materials, FRP, industrial materials and fiber-reinforced plastics	9.2	↑
UBE CONSTRUCTION MATERIALS SALES CO., LTD.	Sales of cement, ready-mixed concrete and construction materials	42.3	↓
UBE MATERIAL INDUSTRIES,LTD.	Manufacture and sales of Mangesium, Limestone products	29.1	↑
UBE SHIPPING & LOGISTICS, LTD.	Coastal Shipping, Harbor Transport Business, Container Business, Trading Business and Technological Consultant Business	16.7	↑
SANSHIN TSUSHO Co., Ltd. (New)	Sales of cement, ready-mixed concrete and construction materials	15.5	↑
Consolidated subsidiaries dealing ready-mixed concrete	Manufacture and sales of ready-mixed concrete	30.3	↑
UBE MACHINERY CORPORATION, LTD.	Manufacture and sales of industrial machinery and bridges	32.0	↑
UBE STEEL CO., LTD.	Manufacture and sales of cast iron, steel products and rolled steel billets	13.0	↑
UBE C&A CO., LTD.	Sales of imported steaming coal from Australia and other countries	22.1	→

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



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