

**FY2011 Consolidated Results
FY2012 Consolidated Forecasts**

May 10, 2012

UBE INDUSTRIES, LTD.

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FY11 Consolidated Results

Scope of Consolidation

— FY11 Consolidated Results —

Item	End of FY10 (A)	End of FY11 (B)	Change (B) - (A)	Notes
Number of consolidated subsidiaries	66	67	+1	Newly Included: 2 Newly Excluded: 1
Number of equity method affiliates	24	25	+1	Newly Included: 2 Newly Excluded: 1
Total	90	92	+2	

Environmental Factors

— FY11 Consolidated Results —

(Billion Yen)

Item			FY10 (A)	FY11 (B)	Change (B) - (A)	Impacts on Consolidated OP Income
Exchange Rate		Yen/\$	85.7	79.1	-6.6	0.2
Material Price	Naphtha (Domestic)	(CIF) \$/t	762	965	203	-3.8
		Yen/KL	47,500	55,000	7,500	(-2.4)
	Benzene (Average of US and Euro Contract Price)	\$/t	997	1,147	150	-5.0 (-1.8)
	Australian Coal (CIF)	\$/t	120.0	143.6	23.6	-4.9
		Yen/t	10,287	11,360	1,073	(-2.6)

(): including impacts from fluctuation of exchange rate

Major P/L & B/S Items

— FY11 Consolidated Results —

(Billion Yen)

Item	FY10 (A)	FY11 (B)	Change (B) - (A)
Sales	616.0	638.6	22.5
Operating income	44.3	46.0	1.6
Ordinary income	39.1	40.8	1.7
Net income	17.2	22.9	5.7
Item	End of FY10 (A)	End of FY11 (B)	Change (B) - (A)
Total assets	661.5	664.9	3.4
Debt	260.5	253.9	-6.6
Net debt	211.0	220.8	9.8
Equity capital *1	187.0	199.4	12.4
Dividend(Yen /Share)	5.0	5.0	0.0

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

Non Operating Items

— FY11 Consolidated Results —

(Billion Yen)

Item		FY10	FY11	Change
		(A)	(B)	(B) - (A)
Operating income		44.3	46.0	1.6
Non operating income	Net interest expense	-3.7	-3.1	0.5
	Equity in earnings of unconsolidated subsidiaries and affiliated companies	1.6	0.8	-0.7
	Others	-3.1	-2.9	0.2
	Total	-5.2	-5.1	0.0
Ordinary income		39.1	40.8	1.7

Extraordinary Items

— FY11 Consolidated Results —

(Billion Yen)

Item		FY10 (A)	FY11 (B)	Change (B) - (A)
Extraordinary income	Gain on sale of PP&E	0.6	0.2	-0.4
	Reversal of Loss on related business	0.2	2.1	1.8
	Others	1.2	0.4	-0.7
	Total	2.0	2.7	0.6
Extraordinary loss	Loss on disposal of PP&E	-0.6	-2.5	-1.9
	Loss on impairment	-4.9	-2.0	2.9
	Loss on valuation of investment securities	-0.1	-1.0	-0.9
	Loss on related business	-4.9	-0.2	4.6
	Loss due to disaster	-0.7	-	0.7
	Others	-0.9	0.0	0.9
Total	-12.4	-5.9	6.4	
Net extraordinary income/loss		-10.3	-3.2	7.1

Operating Income – Net Income

– FY11 Consolidated Results –

(Billion Yen)

Item	FY10 (A)	FY11 (B)	Change (B) - (A)
Operating income	44.3	46.0	1.6
Non operating item	-5.2	-5.1	0.0
Ordinary income	39.1	40.8	1.7
Extraordinary item	-10.3	-3.2	7.1
Income before income tax and minority interest	28.7	37.5	8.8
Income tax and minority interest	-11.4	-14.6	-3.1
Net income	17.2	22.9	5.7
Net income per share(Yen/Share)	17.18yen	22.85yen	5.67yen

Sales by Segment

— FY11 Consolidated Results —

(Billion Yen)

Segment	FY10 (A)	FY11 (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	204.5	231.0	26.5	Caprolactam chain 19.9 Synthetic rubber 6.5
Specialty Chemicals & Products	68.7	64.3	-4.4	Specialty products -2.5 Fine chemicals -1.9
Pharmaceutical	8.8	11.1	2.3	
Cement & Construction Materials	200.4	209.1	8.6	Cement and Ready-mixed concrete 9.5 Construction materials and Quicklime related products -1.3, etc.
Machinery & Metal Products	83.4	72.5	-10.8	Machinery -0.1 Aluminum wheels -10.7
Energy & Environment	59.1	62.5	3.3	Coal 1.5, Power 1.6
Others	26.8	25.9	-0.9	Overseas sales subsidiaries -0.9, etc.
Adjustment	-35.9	-38.0	-2.1	
Total	616.0	638.6	22.5	Increased by 3.7%

Operating Income by Segment

— FY11 Consolidated Results —

(Billion Yen)

Segment	FY10 (A)	FY11 (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	20.0	22.9	2.9	Caprolactam chain 3.3 Synthetic rubber -0.4
Specialty Chemicals & Products	8.7	5.4	-3.2	Specialty products -1.7 Fine chemicals -1.6
Pharmaceutical	2.3	3.7	1.4	
Cement & Construction Materials	8.0	8.6	0.5	Cement and Ready-mixed concrete 0.8 Construction materials and Quicklime related products -0.3, etc.
Machinery & Metal Products	1.7	3.0	1.3	Machinery 0.3 Aluminum wheels 1.0
Energy & Environment	4.0	3.3	-0.6	Coal -0.7, Power 0.1
Others	1.1	1.0	0.0	
Adjustment	-1.6	-2.3	-0.6	
Total	44.3	46.0	1.6	Increased by 3.7%

Analysis of Operating Income

— FY11 Consolidated Results —

(Billion Yen)

Segment	Operating Income						
	FY10 (A)	FY11 (B)	Change (B) - (A)	Price *1	Sales Volume	Fixed Cost	Others *2
Chemicals & Plastics	20.0	22.9	2.9	7.7	0.3	-4.0	-1.1
Specialty Chemicals & Products	8.7	5.4	-3.2	-2.9	-0.8	-0.7	1.2
Pharmaceutical	2.3	3.7	1.4	-0.8	1.7	-0.1	0.6
Cement & Construction Materials	8.0	8.6	0.5	-0.4	1.5	-1.9	1.4
Machinery & Metal Products	1.7	3.0	1.3	0.0	0.0	-0.5	*3 1.8
Energy & Environment	4.0	3.3	-0.6	-0.1	-0.4	-0.5	0.4
Others	1.1	1.0	0.0	0.1	0.0	-0.2	0.0
Adjustment	-1.6	-2.3	-0.6	0.0	0.0	-0.7	0.1
Total	44.3	46.0	1.6	3.7	2.3	-8.6	4.3

*1: Including both selling and purchase change *2: Including inventory valuation changes 1.0

*3: Including marginal profit on machinery products 0.7 and withdrawal from wheel business 1.0

Consolidated Balance Sheet

— FY11 Consolidated Results —

(Billion Yen)

Item		End of FY10	End of FY11	Change
		(A)	(B)	(B) - (A)
Assets	Current assets	281.7	284.4	2.7
	Fixed assets	379.7	380.4	0.6
	Total	661.5	664.9	3.4
Liabilities	Interest-bearing debts	260.5	253.9	-6.6
	Other liabilities	189.4	186.5	-2.9
	Total	450.0	440.5	-9.5
Net Assets	Equity capital *1	187.0	199.4	12.4
	Minority interests and others	24.4	24.9	0.4
	Total	211.4	224.4	12.9
Total liabilities and net assets		661.5	664.9	3.4

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

Consolidated Statements of Cash Flows

— FY11 Consolidated Results —

(Billion Yen)

Item	FY10	FY11	
A. Cash flows from operating activities	67.0	40.6	Income before tax and minority interests 37.5 Depreciation and amortization 32.9 Working capital -23.5, Tax payment -8.5, etc.
B. Cash flows from investing activities	-28.6	-43.5	Acquisition of PP&E -42.4, etc.
Free cash flows (A+B)	38.3	-2.9	
C. Cash flows from financing activities	-25.0	-12.6	Decrease in interest-bearing debts -6.6 Dividends and others -6.0
D. Net increase/decrease in cash and cash equivalents	12.2	-16.4	
E. Cash and cash equivalents at end of the fiscal year	49.5	33.1	

Management Indices

— FY11 Consolidated Results —

Item	Computation	Unit	FY10 (A)	FY11 (B)	Change (B) - (A)
Net D/E Ratio	Net debt /Equity capital	Times	1.1	1.1	0.0
Equity Ratio	Equity capital /Total assets	%	28.3	30.0	1.7
Operating margin	Operating Income /Sales	%	7.2	7.2	0.0
Return on Assets (ROA)	Business income /Total assets	%	7.2	7.2	0.0
Return on Equity (ROE)	Net income /Equity capital	%	9.4	11.9	2.5

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

FY12 Consolidated Forecasts

Scope of Consolidation

— FY12 Consolidated Forecasts —

Item	End of FY11 (A)	End of FY12 (B)	Change (B) - (A)	Notes
Number of consolidated subsidiaries	67	67	-	Newly Included: None Newly Excluded: None
Number of equity method affiliates	25	26	+1	Newly Included: 1 Newly Excluded: None
Total	92	93	+1	

Environmental Factors

— FY12 Consolidated Forecasts —

(Billion Yen)

Item			FY11 (A)	FY12 (B)	Change (B) - (A)	Impacts on Consolidated OP Income
Exchange Rate		Yen/\$	79.1	80.0	0.9	0.0
Material Price	Naphtha (Domestic)	(CIF) \$/t	965	950	-15	0.3
		Yen/KL	55,000	54,800	-200	(0.0)
	Benzene (Average of US and Euro Contract Price)	\$/t	1,147	1,205	58	-1.9 (-2.1)
	Australian Coal (CIF)	\$/t	143.6	132.1	-11.5	2.2
		Yen/t	11,360	10,565	-795	(1.9)

(): including impacts from fluctuation of exchange rate

Major P/L & B/S Items

— FY12 Consolidated Forecasts —

(Billion Yen)

Item	FY11 (A)	FY12 (B)	Change (B) - (A)
Sales	638.6	678.0	39.4
Operating income	46.0	47.0	1.0
Ordinary income	40.8	41.0	0.2
Net income	22.9	23.0	0.1
Item	End of FY11 (A)	End of FY12 (B)	Change (B) - (A)
Total assets	664.9	685.0	20.1
Debt	253.9	253.0	-0.9
Net debt	220.8	219.0	-1.8
Equity capital *1	199.4	220.0	20.6
Dividend(Yen /Share)	5.0	5.0	0.0

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

Operating Income – Net Income

– FY12 Consolidated Forecasts –

(Billion Yen)

Item	FY11 (A)	FY12 (B)	Change (B) - (A)
Operating income	46.0	47.0	1.0
Non operating item	-5.1	-6.0	-0.9
Ordinary income	40.8	41.0	0.2
Extraordinary item	-3.2	-3.0	0.2
Income before income tax and minority interest	37.5	38.0	0.5
Income tax and minority interest	-14.6	-15.0	-0.4
Net income	22.9	23.0	0.1
Net income per share(Yen/Share)	22.85yen	22.88yen	0.03yen

Sales by Segment

— FY12 Consolidated Forecasts —

(Billion Yen)

Segment	FY11 (A)	FY12 (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	231.0	258.0	27.0	Caprolactam chain 18.6 Synthetic rubber 8.4
Specialty Chemicals & Products	64.3	78.0	13.7	Specialty products 10.6 Fine chemicals 3.0
Pharmaceutical	11.1	12.5	1.4	
Cement & Construction Materials	209.1	205.0	-4.1	Cement and Ready-mixed concrete -4.7 Construction materials and Quicklime related products 0.3, etc.
Machinery & Metal Products	72.5	78.5	6.0	
Energy & Environment	62.5	64.5	2.0	Coal 1.2, Power 0.8
Others	25.9	23.5	-2.4	Overseas sales subsidiaries -1.0, etc.
Adjustment	-38.0	-42.0	-4.0	
Total	638.6	678.0	39.4	Increased by 6.2%

Operating Income by Segment

— FY12 Consolidated Forecasts —

(Billion Yen)

Segment	FY11 (A)	FY12 (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	22.9	18.5	-4.4	Caprolactam chain -5.6 Synthetic rubber 1.1
Specialty Chemicals & Products	5.4	9.0	3.6	Specialty products 2.4 Fine chemicals 1.1
Pharmaceutical	3.7	4.0	0.3	
Cement & Construction Materials	8.6	9.5	0.9	Cement and Ready-mixed concrete 0.8 Construction materials and Quicklime related products -0.1, etc.
Machinery & Metal Products	3.0	3.5	0.5	
Energy & Environment	3.3	4.0	0.7	Coal -0.5, Power 1.2
Others	1.0	1.0	0.0	
Adjustment	-2.3	-2.5	-0.2	
Total	46.0	47.0	1.0	Increased by 2.2%

Analysis of Operating Income

— FY12 Consolidated Forecasts —

(Billion Yen)

Segment	Operating Income						
	FY11 (A)	FY12 (B)	Change (B) - (A)	Price *1	Sales Volume	Fixed Cost	Others *2
Chemicals & Plastics	22.9	18.5	-4.4	-12.6	10.8	-0.9	-1.7
Specialty Chemicals & Products	5.4	9.0	3.6	-2.8	10.3	-2.9	-1.1
Pharmaceutical	3.7	4.0	0.3	-1.0	0.8	-0.3	0.7
Cement & Construction Materials	8.6	9.5	0.9	-0.3	0.3	0.9	0.0
Machinery & Metal Products	3.0	3.5	0.5	0.1	-0.3	0.5	0.2
Energy & Environment	3.3	4.0	0.7	0.1	0.0	0.2	0.4
Others	1.0	1.0	0.0	0.0	0.0	-0.1	0.1
Adjustment	-2.3	-2.5	-0.2	0.0	0.0	-0.1	-0.1
Total	46.0	47.0	1.0	-16.6	21.9	-2.7	-1.7

*1: Including both selling and purchase change *2: Including inventory valuation changes -3.6

Management Indices

— FY12 Consolidated Forecasts —

Item	Computation	Unit	FY11 (A)	FY12 (B)	Change (B) - (A)
Net D/E Ratio	Net debt /Equity capital	Times	1.1	1.0	-0.1
Equity Ratio	Equity capital /Total assets	%	30.0	32.1	2.1
Operating margin	Operating Income /Sales	%	7.2	6.9	-0.3
Return on Assets (ROA)	Business income /Total assets	%	7.2	7.2	0.0
Return on Equity (ROE)	Net income /Equity capital	%	11.9	11.0	-0.9

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

Appendix

Major Subsidiaries

— FY11 Consolidated Results —

(Billion Yen)

Subsidiaries and Affiliates		Business	Sales FY11	Operating income change from FY10
Chemicals & Plastics	UBE CHEMICALS (ASIA) PUBLIC CO., LTD.	Manufacture and sales of caprolactam and polyamide resin	40.1	↑
	UBE CHEMICAL EUROPE, S.A.	Manufacture and sales of caprolactam.	26.5	↑
	THAI SYNTHETIC RUBBERS CO., LTD.	Manufacture and sales of polybutadiene	19.3	↓
	UBE ENGINEERING PLASTICS, S.A.	Manufacture and sales of polyamide resin	11.3	↓
	UBE AMMONIA INDUSTRY, LTD.	Manufacture and sales of ammonia	12.9	→
	UBE FILM, LTD.	Manufacture and sales of plastic-film products	10.3	↓
Specialty Chemicals & Products	UBE-NITTO KASEI CO., LTD.	Manufacture and sales of electronics & IT materials, FRP, industrial materials	13.1	↓
Cement & Construction Materials	UBE CONSTRUCTION MATERIALS SALES CO., LTD.	Sales of construction materials	50.3	→
	UBE SHIPPING & LOGISTICS, LTD.	Domestic shipping, harbor transportation, shipping-agent services and customs clearing	16.5	→
	KANTO UBE CONCRETE CO., LTD.	Manufacture and sales of ready-mixed concrete	10.6	↑
Machinery & Metal Products	UBE MACHINERY CORPORATION, LTD.	Manufacture and sales of industrial machinery and bridges	30.5	↑
	UBE STEEL CO., LTD.	Manufacture and sales of cast iron, steel products and rolled steel billets	20.4	→
	UBE TECHNO ENG. CO., LTD.	Service and maintenance of industrial machinery and equipment	11.9	↑
Energy & Environment	UBE C&A CO., LTD.	Sales of imported steaming coal from Australia and other countries	25.6	↑

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

R&D Expenses, Capital Expenditure and Depreciation

(Billion Yen)

Item	FY10	FY11	FY12
R&D expenses	13.7	13.7	14.5
Capital expenditure	35.3	44.4	38.0
Depreciation (& Amortization)	33.1	32.9	32.5

Major Items for Capital Expenditure

Segment	Item	Site	Completion
Chemicals&Plastics	Production facilities for Butadiene rubbers (expansion)	Chiba/Japan	Aug./'12, Sep./'13
Specialty Chemicals & Products	Production facilities for separator (expansion)	Sakai/Japan	FY13 ~ FY14
	Second production facilities for metal organic compounds	Ube/Japan	Aug./'12
Cement & Construction Materials	Dryness facilities for sewage sludge	Isa/Japan	Dec./'12



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