

Financial Results for the 3rd Quarter FY 2012

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UBE INDUSTRIES, LTD.

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※This “3rd Quarter (3Q)” data states information for 9 month totals.

FY12 3rd Quarter Consolidated Results

Scope of Consolidation

— Financial Results for the 3rd Quarter FY12 —

Item	End of FY11 (A)	End of FY12 3Q (B)	Change (B) - (A)	Notes
Number of consolidated subsidiaries	67	68	+1	Newly Included: 1 Newly Excluded: None
Number of equity method affiliates	25	25	0	Newly Included: None Newly Excluded: None
Total	92	93	+1	

Environmental Factors

— Financial Results for the 3rd Quarter FY12 —

(Billion Yen)

Item			FY11 3Q (A)	FY12 3Q (B)	Change (B) - (A)	Impacts on Consolidated OP Income
Exchange Rate		Yen/\$	79.0	80.0	1.0	-0.1
Material Price	(CIF) Naphtha (Domestic)	\$/t	966	961	-5	0.0
		Yen/KL	55,200	55,400	200	(-0.1)
	Benzene (Average of US and Euro Contract Price)	\$/t	1,171	1,277	106	-2.3 (-2.1)
	Australian Coal (CIF)	\$/t	144.3	127.9	-16.4	2.3
		Yen/t	11,400	10,230	-1,170	(2.1)

(): including impacts from fluctuation of exchange rate

Major P/L & B/S Items

— Financial Results for the 3rd Quarter FY12 —

(Billion Yen)

Item	FY11 3Q (A)	FY12 3Q (B)	Change (B) - (A)
Sales	470.9	464.4	-6.5
Operating income	35.0	23.1	-11.8
Ordinary income	31.1	22.0	-9.0
Net income	19.4	12.5	-6.8
Item	End of FY11 (A)	End of FY12 3Q (B)	Change (B) - (A)
Total assets	664.9	677.9	12.9
Debt	253.9	259.3	5.4
Net debt	220.8	222.5	1.7
Equity capital *1	199.4	210.3	10.8

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

Non Operating Items

– Financial Results for the 3rd Quarter FY12 –

(Billion Yen)

Item		FY11 3Q (A)	FY12 3Q (B)	Change (B) - (A)
Operating income		35.0	23.1	-11.8
Non operating income	Net interest expense	-2.3	-1.9	0.3
	Equity in earnings of unconsolidated subsidiaries and affiliated companies	0.9	1.1	0.2
	Others	-2.5	-0.3	2.2
	Total	-3.9	-1.1	2.7
Ordinary income		31.1	22.0	-9.0

Extraordinary Items

— Financial Results for the 3rd Quarter FY12 —

(Billion Yen)

Item		FY11 3Q (A)	FY12 3Q (B)	Change (B) - (A)
	Gain on transfer of business	-	0.2	0.2
	Others	0.2	0.4	0.2
	Extraordinary income	0.2	0.7	0.4
	Loss on disposal of PP&E	-0.4	-0.9	-0.5
	Loss on valuation of investment securities	-1.0	0.0	1.0
	Loss on impairment	0.0	-2.7	-2.6
	Others	-0.1	-0.2	0.0
	Extraordinary loss	-1.6	-3.9	-2.3
	Net extraordinary income/loss	-1.3	-3.2	-1.8

Operating Income – Net Income

– Financial Results for the 3rd Quarter FY12 –

(Billion Yen)

Item	FY11 3Q (A)	FY12 3Q (B)	Change (B) - (A)
Operating income	35.0	23.1	-11.8
Non operating item	-3.9	-1.1	2.7
Ordinary income	31.1	22.0	-9.0
Extraordinary item	-1.3	-3.2	-1.8
Income before income tax and minority interest	29.7	18.8	-10.9
Income tax and minority interest	-10.3	-6.2	4.0
Net income	19.4	12.5	-6.8
Net income per share(Yen/Share)	19.35yen	12.51yen	-6.84yen

Sales by Segment

— Financial Results for the 3rd Quarter FY12 —

(Billion Yen)

Segment	FY11 3Q (A)	FY12 3Q (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	174.1	162.9	-11.2	Caprolactam chain -6.3 Synthetic rubber -4.9
Specialty Chemicals & Products	48.8	46.9	-1.9	Specialty products -2.7 Fine chemicals 0.7
Pharmaceutical	6.9	8.3	1.4	
Cement & Construction Materials	154.6	155.9	1.3	Cement and Ready-mixed concrete 3.6 Construction materials and Quicklime related products -2.2, etc.
Machinery & Metal Products	48.6	50.9	2.2	
Energy & Environment	46.0	49.5	3.4	Coal 2.8, Power 0.7
Others	19.8	19.3	-0.4	
Adjustment	-28.1	-29.5	-1.3	
Total	470.9	464.4	-6.5	Decreased by 1.4%

Operating Income by Segment

– Financial Results for the 3rd Quarter FY12 –

(Billion Yen)

Segment	FY11 3Q (A)	FY12 3Q (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	19.4	4.3	-15.1	Caprolactam chain -12.5 Synthetic rubber -2.6
Specialty Chemicals & Products	5.1	1.5	-3.6	Specialty products -2.8 Fine chemicals -0.9
Pharmaceutical	2.1	2.7	0.6	
Cement & Construction Materials	5.8	8.0	2.2	Cement and Ready-mixed concrete 2.5 Construction materials and Quicklime related products -0.4, etc.
Machinery & Metal Products	0.7	2.7	2.0	
Energy & Environment	2.5	4.2	1.7	Coal 0.3, Power 1.5
Others	0.8	0.8	0.0	
Adjustment	-1.5	-1.2	0.2	
Total	35.0	23.1	-11.8	Decreased by 33.9%

Analysis of Operating Income

– Financial Results for the 3rd Quarter FY12 –

(Billion Yen)

Segment	Operating Income						
	FY11 3Q (A)	FY12 3Q (B)	Change (B) - (A)	Price *1	Sales Volume	Fixed Cost	Others *2
Chemicals & Plastics	19.4	4.3	-15.1	-14.7	1.1	-1.4	-0.2
Specialty Chemicals & Products	5.1	1.5	-3.6	-2.8	1.1	-0.8	-1.0
Pharmaceutical	2.1	2.7	0.6	-0.6	1.3	-0.3	0.3
Cement & Construction Materials	5.8	8.0	2.2	2.1	-1.2	1.6	-0.3
Machinery & Metal Products	0.7	2.7	2.0	0.1	-0.1	0.0	*3 2.0
Energy & Environment	2.5	4.2	1.7	0.8	0.4	0.3	0.2
Others	0.8	0.8	0.0	-0.1	0.1	0.1	0.0
Adjustment	-1.5	-1.2	0.2	0.0	0.0	0.2	0.1
Total	35.0	23.1	-11.8	-15.2	2.5	-0.3	1.1

*1: Including both selling and purchase change

*2: Including inventory valuation changes -0.7

*3: Including marginal profit on machinery products 2.1

Consolidated Balance Sheet

— Financial Results for the 3rd Quarter FY12 —

(Billion Yen)

Item	End of FY11 (A)	End of FY12 3Q (B)	Change (B) - (A)
Current assets	284.4	295.8	11.3
Fixed assets	380.4	382.0	1.5
Total assets	664.9	677.9	12.9
Interest-bearing debts	253.9	259.3	5.4
Other liabilities	186.5	174.8	-11.7
Total liabilities	440.5	434.1	-6.3
Equity capital *1	199.4	210.3	10.8
Minority interests and others	24.9	33.3	8.4
Total net assets	224.4	243.7	19.3
Total liabilities and net assets	664.9	677.9	12.9

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

Consolidated Statements of Cash Flows

— Financial Results for the 3rd Quarter FY12 —

(Billion Yen)

Item	FY11 3Q	FY12 3Q	
A.Cash flows from operating activities	16.2	24.1	Income before tax and minority interests 18.8 Depreciation and amortization 23.4 Working capital -7.0, Tax payment and others -11.3, etc.
B.Cash flows from investing activities	-31.3	-28.7	Acquisition of PP&E -28.9, etc.
Free cash flows (A+B)	-15.1	-4.5	
C.Cash flows from financing activities	1.2	7.8	Increase/Decrease in interest-bearing debts 4.8 Proceeds from stock issuance to minority shareholders 9.6 Dividends and others -6.1, etc.
D.Net increase/decrease in cash and cash equivalents	-14.6	3.7	
E.Cash and cash equivalents at end of the quarter	34.9	36.8	

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	0	Newly Included: 1 Newly Excluded: 1
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	82.5 [90.0]	3.4	0.0
Material Price	(CIF) Naphtha (Domestic)	\$/t	965	958 [950]	-7	0.1
		Yen/KL	55,000	56,900 [61,400]	1,900	(-0.7)
	Benzene (Average of US and Euro Contract Price)	\$/t	1,147	1,319 [1,481]	172	-5.4 (-6.1)
	Australian Coal (CIF)	\$/t	143.6	126.7 [123.2]	-16.9	3.2
		Yen/t	11,360	10,450 [11,090]	-910	(2.1)

[]: numbers for the 4th quarter of the period only

(): 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	628.0	-10.6
Operating income	46.0	28.0	-18.0
Ordinary income	40.8	23.5	-17.3
Net income	22.9	5.5	-17.4
Item	End of FY11 (A)	End of FY12 (B)	Change (B) - (A)
Total assets	664.9	693.0	28.1
Debt	253.9	251.0	-2.9
Net debt	220.8	217.0	-3.8
Equity capital *1	199.4	209.0	9.6
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	28.0	-18.0
Non operating item	-5.1	-4.5	0.6
Ordinary income	40.8	23.5	-17.3
Extraordinary item	-3.2	-13.5	-10.3
Income before income tax and minority interest	37.5	10.0	-27.5
Income tax and minority interest	-14.6	-4.5	10.1
Net income	22.9	5.5	-17.4
Net income per share(Yen/Share)	22.85yen	5.47yen	-17.38yen

Sales by Segment

— FY12 Consolidated Forecasts —

(Billion Yen)

Segment	FY11 (A)	FY12 (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	231.0	220.0	-11.0	Caprolactam chain -4.7 Synthetic rubber -6.3
Specialty Chemicals & Products	64.3	63.0	-1.3	Specialty products -3.0 Fine chemicals 1.7
Pharmaceutical	11.1	11.5	0.4	
Cement & Construction Materials	209.1	207.0	-2.1	Cement and Ready-mixed concrete 1.3 Construction materials and Quicklime related products -3.6, etc.
Machinery & Metal Products	72.5	72.0	-0.5	
Energy & Environment	62.5	68.0	5.5	Coal 5.1, Power 0.4
Others	25.9	23.5	-2.4	Overseas sales subsidiaries -1.0, etc.
Adjustment	-38.0	-37.0	1.0	
Total	638.6	628.0	-10.6	Decreased by 1.7%

Operating Income by Segment

— FY12 Consolidated Forecasts —

(Billion Yen)

Segment	FY11 (A)	FY12 (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	22.9	3.8	-19.1	Caprolactam chain -15.4 Synthetic rubber -3.8
Specialty Chemicals & Products	5.4	1.2	-4.2	Specialty products -3.9 Fine chemicals -0.3
Pharmaceutical	3.7	3.2	-0.5	
Cement & Construction Materials	8.6	11.0	2.4	Cement and Ready-mixed concrete 3.3 Construction materials and Quicklime related products -1.2, etc.
Machinery & Metal Products	3.0	4.0	1.0	
Energy & Environment	3.3	6.0	2.7	Coal 0.4, Power 2.3
Others	1.0	1.0	0.0	
Adjustment	-2.3	-2.2	0.1	
Total	46.0	28.0	-18.0	Decreased by 39.1%

【Reference】 FY12 Consolidated Forecasts

-Net Sales (Comparisons for forecasts at the beginning of the period, by segment) -

(Billion Yen)

Segment	Beginning forecasts (A) 10/15/2012 Publication	Revised forecasts (B) 2/5/2013 Publication	Change (B) - (A)	Major Factors
Chemicals & Plastics	224.0	220.0	-4.0	Caprolactam chain 0.4 Synthetic rubber -4.4
Specialty Chemicals & Products	71.0	63.0	-8.0	Specialty products -7.8 Fine chemicals -0.2
Pharmaceutical	12.5	11.5	-1.0	
Cement & Construction Materials	207.5	207.0	-0.5	Cement and Ready-mixed concrete 3.0 Construction materials and Quickline related products -3.2, etc.
Machinery & Metal Products	72.5	72.0	-0.5	
Energy & Environment	65.0	68.0	3.0	Coal 2.8, Power 0.2
Others	23.5	23.5	0.0	
Adjustment	-38.0	-37.0	1.0	
Total	638.0	628.0	-10.0	Decreased by 1.6%

【Reference】 FY12 Consolidated Forecasts

-Operating Income (Comparisons for forecasts at the beginning of the period, by segment) -

(Billion Yen)

Segment	Beginning forecasts (A) 10/15/2012 Publication	Revised forecasts (B) 2/5/2013 Publication	Change (B) - (A)	Major Factors
Chemicals & Plastics	7.9	3.8	-4.1	Caprolactam chain -1.5 Synthetic rubber -2.6
Specialty Chemicals & Products	5.7	1.2	-4.5	Specialty products -3.6 Fine chemicals -0.9
Pharmaceutical	4.0	3.2	-0.8	
Cement & Construction Materials	11.4	11.0	-0.4	Cement and Ready-mixed concrete 0.6 Construction materials and Quickline related products -1.1, etc.
Machinery & Metal Products	3.5	4.0	0.5	
Energy & Environment	4.8	6.0	1.2	Coal 0.5, Power 0.7
Others	1.0	1.0	0.0	
Adjustment	-2.3	-2.2	0.1	
Total	36.0	28.0	-8.0	Decreased by 22.2%

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	30.2	0.2
Operating margin	Operating Income /Sales	%	7.2	4.5	-2.7
Return on Assets (ROA)	Business income /Total assets	%	7.2	4.3	-2.9
Return on Equity (ROE)	Net income /Equity capital	%	11.9	2.7	-9.2

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

Appendix

Major Subsidiaries

— Financial Results for the 3rd Quarter FY12 —

(Billion Yen)

Subsidiaries and Affiliates		Business	Sales FY12 3Q	Operating income change from FY11 3Q
Chemicals & Plastics	UBE CHEMICALS (ASIA) PUBLIC CO., LTD	Manufacture and sales of caprolactam and polyamide resin	32.1	↓
	UBE CHEMICAL EUROPE, S.A.	Manufacture and sales of caprolactam.	21.7	→
	THAI SYNTHETIC RUBBERS CO., LTD.	Manufacture and sales of polybutadiene	10.7	↓
	UBE ENGINEERING PLASTICS, S.A.	Manufacture and sales of polyamide resin	8.5	→
	UBE AMMONIA INDUSTRY, LTD.	Manufacture and sales of ammonia	10.2	→
	UBE FILM, LTD.	Manufacture and sales of plastic-film products	7.2	→
Specialty Chemicals & Products	UBE-NITTO KASEI CO., LTD.	Manufacture and sales of electronics & IT materials, FRP, industrial materials and fiber-reinforced plastics	9.9	→
Cement & Construction Materials	UBE CONSTRUCTION MATERIALS SALES CO., LTD.	Sales of construction materials	39.0	→
	UBE SHIPPING & LOGISTICS, LTD.	Domestic shipping, harbor transportation, shipping-agent services and customs clearing	13.3	↑
	KANTO UBE CONCRETE CO., LTD.	Manufacture and sales of ready-mixed concrete	9.2	↑
Machinery & Metal Products	UBE MACHINERY CORPORATION, LTD.	Manufacture and sales of industrial machinery and bridges	24.4	↑
	UBE STEEL CO., LTD.	Manufacture and sales of cast iron, steel products and rolled steel billets	12.6	→
	UBE TECHNO ENG. CO., LTD.	Service and maintenance of industrial machinery and equipment	9.4	↑
Energy & Environment	UBE C&A CO., LTD.	Sales of imported steaming coal from Australia and other countries	19.5	→

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



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