

**FY2008 Consolidated Results
FY2009 Consolidated Forecasts**

May 11, 2009

UBE INDUSTRIES, LTD.

Contents

- **FY08 Consolidated Results**
- **FY09 Consolidated Forecasts**
- **Appendix**

FY08 Consolidated Results

Scope of Consolidation

— FY08 Consolidated Results —

Item	End of FY07 (End of Mar. 2008) (A)	End of FY08 (End of Mar. 2009) (B)	Change (B) - (A)	Notes
Number of consolidated subsidiaries	67	65	-2	Newly Included : None Newly Excluded : 2 (sell off 1, liquidation 1)
Number of equity method affiliates	28	27	-1	Newly Included : None Newly Excluded : 1 (liquidation 1)
Total	95	92	-3	

Major P/L & B/S Items

— FY08 Consolidated Results —

(Billion Yen)

Item	FY07 (A)	FY08 (B)	Change (B) - (A)
Sales	704.2	684.7	-19.5
Operating income	55.9	31.1	-24.7
Ordinary income	46.7	20.3	-26.3
Net income	24.0	11.6	-12.3
Item	End of FY07 (End of Mar. 2008) (A)	End of FY08 (End of Mar. 2009) (B)	Change (B) - (A)
Total assets	720.8	677.9	-42.9
Debt	300.7	306.8	6.0
Net debt	275.6	267.7	-7.9
Equity capital * 1	193.8	171.9	-21.9

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

Non Operating Items

— FY08 Consolidated Results —

(Billion Yen)

Item		FY07 (A)	FY08 (B)	Change (B) - (A)
Operating income		55.9	31.1	-24.7
Non operating items	Net interest expense	-5.9	-5.0	0.8
	Equity in earnings of unconsolidated subsidiaries and affiliated companies	1.3	0.8	-0.4
	Gain(loss) on foreign currency exchange	0.0	-1.3	-1.2
	Others	-4.4	-5.1	-0.7
	Total	-9.1	-10.7	-1.5
Ordinary income		46.7	20.3	-26.3

Extraordinary Items

— FY08 Consolidated Results —

(Billion Yen)

Item	FY07 (A)	FY08 (B)	Change (B) - (A)
Gain on contribution of securities to retirement benefit trust	2.3	0.0	-2.3
Gain on sale of PP&E	0.5	0.1	-0.3
Others	0.7	0.7	0.0
Extraordinary income	3.6	0.9	-2.7
Loss on impairment	-5.9	* 1 -1.8	4.0
Loss on related business	-0.1	* 1 -2.6	-2.4
Loss on disposal of PP&E	-2.1	-1.9	0.2
Others	-1.1	-1.4	-0.2
Extraordinary loss	-9.4	-7.8	1.6
Net extraordinary income/loss	-5.8	-6.8	-1.0

*1: The loss from the dissolution of North American wheel manufacturing operations -4.4

Operating Income – Net Income

– FY08 Consolidated Results –

(Billion Yen)

Item	FY07 (A)	FY08 (B)	Change (B) - (A)
Operating income	55.9	31.1	-24.7
Non operating item	-9.1	-10.7	-1.5
Ordinary income	46.7	20.3	-26.3
Extraordinary item	-5.8	-6.8	-1.0
Income before income tax and minority interest	40.8	13.5	-27.3
Income tax and minority interest	-16.8	*1 -18.0	15.0
Net income	24.0	11.6	-12.3
Net income per share(Yen/Share)	23.88	11.59	12.29

*1: Including tax effect relating to the loss from the dissolution of North American wheel manufacturing operations +6.8

Environmental Factors

— FY08 Consolidated Results —

(Billion Yen)

Item			FY07 (A)	FY08 (B)	Change (B) - (A)	Impacts on Consolidated OP Income
Exchange Rate		Yen/\$	114.3	100.5	-13.8	2.1
Material Price	Naphtha	(CIF) \$/t	748	798	50	-2.2
		(Domestic) Yen/KL	61,500	58,900	-2,600	(0.2)
	Benzene (Average of US and Euro Contract Price)	\$/t	1,080	989	-91	1.6 (6.5)
	Australian Coal	\$/t	96.5	153.0	56.5	-15.9
		(CIF) Yen/t	11,030	15,382	4,352	(-10.9)

():including impacts on fluctuation of exchange rate

Sales by Segment

— FY08 Consolidated Results —

(Billion Yen)

Segment	FY07 (A)	FY08 (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	233.2	212.6	-20.6	Caprolactam chain -21.9 Synthetic rubber 1.9
Specialty Chemicals & Products	93.5	87.0	-6.4	Specialty products -8.9 Fine chemicals and Pharmaceuticals -0.9 Overseas sales subsidiaries 3.4
Cement & Construction Materials	207.0	209.4	2.4	Cement and Ready-mixed concrete 1.1 Construction materials and Quicklime related products 0.8
Machinery & Metal Products	120.3	110.0	-10.2	Aluminum wheels -9.4 Machinery -0.9
Energy & Environment	46.4	61.8	15.3	Coal 13.7
Others	3.6	3.5	0.0	
Total	704.2	684.7	-19.5	Decreased by 2.8%

Operating Income by Segment

— FY08 Consolidated Results —

(Billion Yen)

Segment	FY07 (A)	FY08 (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	18.6	2.0	-16.5	Caprolactam chain -16.2 Synthetic rubber -0.3
Specialty Chemicals & Products	14.1	6.7	-7.4	Specialty products -6.1 Fine chemicals and Pharmaceuticals -1.2
Cement & Construction Materials	10.8	8.8	-1.9	Cement and Ready-mixed concrete -1.0 Construction materials and Quicklime related products -0.9
Machinery & Metal Products	6.6	4.0	-2.6	Machinery -1.4 Aluminum wheels -1.2
Energy & Environment	4.6	8.6	3.9	Coal 3.2
Others	0.8	0.7	0.0	
Total	55.9	31.1	-24.7	Decreased by 44.3%

Analysis of Operating Income

— FY08 Consolidated Results —

(Billion Yen)

Segment	Operating Income							
	FY07 (A)	FY08 (B)	Change (B) - (A)	Price *1	Sales Volume	Fixed Cost	Change in Regulation including LCM Method	Others
Chemicals & Plastics	18.6	2.0	-16.5	-5.1	-5.7	0.3	-5.6	-0.5
Specialty Chemicals & Products	14.1	6.7	-7.4	-2.1	-3.0	-0.9	-1.2	-0.4
Cement & Construction Materials	10.8	8.8	-1.9	4.7	-5.8	0.7	-1.1	-0.5
Machinery & Metal Products	6.6	4.0	-2.6	-1.0	-1.7	0.4	-0.1	-0.1
Energy & Environment	4.6	8.6	3.9	3.7	0.3	-0.3	0.0	0.2
Others	0.8	0.7	0.0	0.0	0.0	0.1	0.0	-0.1
Total	55.9	31.1	-24.7	2.0	-15.8	0.3	-8.0	-1.4

*1: Including both selling and purchase change

Consolidated Balance Sheet

— FY08 Consolidated Results —

(Billion Yen)

Item	End of FY07 (End of Mar. 2008) (A)	End of FY08 (End of Mar. 2009) (B)	Change (B) - (A)
Current assets	297.8	277.5	-20.3
Fixed assets	422.9	400.3	-22.5
Total assets	720.8	677.9	-42.9
Interest-bearing debts	300.7	306.8	6.0
Other liabilities	201.1	176.4	-24.6
Total liabilities	501.8	483.2	-18.6
Equity capital *1	193.8	171.9	-21.9
Minority interests and others	25.1	22.7	-2.3
Total net assets	219.0	194.7	-24.3
Total liabilities and net assets	720.8	677.9	-42.9

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

Consolidated Statements of Cash Flows

— FY08 Consolidated Results —

(Billion Yen)

Item	FY07	FY08	
A.Cash flows from operating activities	58.8	45.5	Income before tax and minority interests 13.5 Depreciation and amortization 34.8 Working capital -1.6
B.Cash flows from investing activities	-28.4	-32.9	Acquisition of PP&E -34.2
Free cash flows (A+B)	30.4	12.6	
C.Cash flows from financing activities	-28.6	4.3	Increase in interest-bearing debts 30.0 Bond redemption -20.2 Dividends -5.5
D.Net increase/decrease in cash and cash equivalents	3.5	14.0	
E.Cash and cash equivalents at end of the fiscal year	25.0	39.1	

Business Highlight

— FY08 Consolidated Results —

Chemicals and Plastics

- ◆ A memorandum was concluded that collaborative commercialization of the wide-ranging chemical business in Thailand is examined with PTT Public Company Limited. (December 2008)

Specialty Chemicals and Products

- ◆ An agreement was concluded that new material technology for aircraft is developed in collaboration with Boeing. (January 2009)
- ◆ The European Commission has granted marketing authorization for Prasugrel (Product Name: Efiect™) for the prevention of atherothrombotic events in patients with acute coronary syndrome (ACS) undergoing percutaneous coronary intervention (PCI). (February 2009)
- ◆ 6th production facilities of separator used for lithium ion batteries were completed to meet increase in demand. (March 2009)

Cement and Construction Materials

- ◆ Waste processing 3rd facilities for fuel were completed at Isa-Cement Factory. (February 2009)

Machinery and Metal Products

- ◆ Ube Machinery Co., Ltd. launched “MDS-V Series”, next-generation all electric injection molding machine. (June 2008)

Management Indices

— FY08 Consolidated Results —

Item	Computation	Unit	FY07 (A)	FY08 (B)	Change (B) - (A)
Net D/E Ratio	Net debt ^{*1} / Equity capital	Times	1.4	1.6	0.2
Equity Ratio	Equity capital / Total assets	%	26.9	25.4	-1.5
Operating margin	Operating Income / Sales	%	7.9	4.6	-3.3
Return on Assets (ROA)	Business income ^{*2} / Total assets	%	8.2	4.8	-3.4
Return on Equity (ROE)	Net income / Equity capital	%	13.1	6.4	-6.7

*1: Net debt = Interest-bearing debt - Cash and cash equivalents

*2: Business income = Operating income + Interest and Dividend income + Equity income of unconsolidated subsidiaries and affiliates

FY09 Consolidated Forecasts

Scope of Consolidation

— FY09 Consolidated Forecasts —

Item	End of FY08 (End of Mar. 2009) (A)	End of FY09 (End of Mar. 2010) (B)	Change (B) - (A)	Notes
Number of consolidated subsidiaries	65	67	+2	Newly Included : 2 Newly Excluded : None
Number of equity method affiliates	27	28	+1	Newly Included : 1 Newly Excluded : None
Total	92	95	+3	

Major P/L & B/S Items

— FY09 Consolidated Forecasts —

(Billion Yen)

Item	FY08 (A)	FY09 (B)	Change (B) - (A)
Sales	684.7	552.0	-132.7
Operating income	31.1	25.0	-6.1
Ordinary income	20.3	14.5	-5.8
Net income	11.6	7.0	-4.6
Item	End of FY08 (End of Mar. 2009) (A)	End of FY09 (End of Mar. 2010) (B)	Change (B) - (A)
Total assets	677.9	680.0	2.1
Debt	306.8	300.0	-6.8
Net debt	267.7	265.0	-2.7
Equity capital *1	171.9	174.0	2.1

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

Environmental Factors

— FY09 Consolidated Forecasts —

(Billion Yen)

Item		FY08 (A)	FY09 (B)	Change (B) - (A)	Impacts on Consolidated OP Income	
Exchange Rate	Yen/\$	100.5	95.0	-5.5	0.5	
Material Price	(CIF)	\$/t	798	500	-298	6.5
	Naphtha (Domestic)	Yen/KL	58,900	35,000	-23,900	(7.2)
	Benzene (Average of US and Euro Contract Price)	\$/t	989	607	-382	12.8 (14.2)
	Australian Coal	\$/t	153.0	89.5	-63.5	14.0
	(CIF)	Yen/t	15,382	8,503	-6,879	(15.0)

():including impacts on fluctuation of exchange rate

Operating Income – Net Income

– FY09 Consolidated Forecasts –

(Billion Yen)

Item	FY08 (A)	FY09 (B)	Change (B) - (A)
Operating income	31.1	25.0	-6.1
Non operating item	-10.7	-10.5	0.2
Ordinary income	20.3	14.5	-5.8
Extraordinary item	-6.8	-2.5	4.3
Income before income tax and minority interest	13.5	12.0	-1.5
Income tax and minority interest	*1 -1.8	-5.0	-3.2
Net income	11.6	7.0	-4.6
Net income per share(Yen/Share)	11.59	6.96	-4.63

*1: Including tax effect relating to the loss from the dissolution of North American wheel manufacturing operations +6.8

Sales by Segment

— FY09 Consolidated Forecasts —

(Billion Yen)

Segment	FY08 (A)	FY09 (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	212.6	150.5	-62.1	Caprolactam chain -43.6 Synthetic rubber -17.8
Specialty Chemicals & Products	87.0	80.0	-7.0	Overseas sales subsidiaries -5.5 Fine chemicals and Pharmaceuticals -1.9 Specialty products 0.3
Cement & Construction Materials	209.4	196.0	-13.4	Cement and Ready-mixed concrete -10.4 Construction materials and Quicklime related products -3.3
Machinery & Metal Products	110.0	84.5	-25.5	Machinery -15.3 Aluminum wheels -10.2
Energy & Environment	61.8	37.6	-24.2	Coal -22.0
Others	3.5	3.4	-0.1	
Total	684.7	552.0	-132.7	Decreased by 19.4%

Operating Income by Segment

— FY09 Consolidated Forecasts —

(Billion Yen)

Segment	FY08 (A)	FY09 (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	2.0	1.5	-0.5	Synthetic rubber -3.6 Caprolactam chain 2.9
Specialty Chemicals & Products	6.7	8.0	1.3	Specialty products 1.2 Fine chemicals and Pharmaceuticals 0.2
Cement & Construction Materials	8.8	8.5	-0.3	Cement and Ready-mixed concrete -1.0 Construction materials and Quicklime related products -0.2
Machinery & Metal Products	4.0	3.5	-0.5	Machinery -2.2 Aluminum wheels 1.6
Energy & Environment	8.6	2.9	-5.7	Coal -5.2
Others	0.7	0.6	-0.1	
Total	31.1	25.0	-6.1	Decreased by 19.8%

Analysis of Operating Income

— FY09 Consolidated Forecasts —

(Billion Yen)

Segment	Operating Income							
	FY08 (A)	FY09 (B)	Change (B) - (A)	Price *1	Sales Volume	Fixed Cost	Impact due to LCM Method	Others *2
Chemicals & Plastics	2.0	1.5	-0.5	0.3	-6.1	2.0	11.2	-8.1
Specialty Chemicals & Products	6.7	8.0	1.3	-2.0	2.9	0.6	1.1	-1.3
Cement & Construction Materials	8.8	8.5	-0.3	0.2	-2.2	0.8	0.2	0.6
Machinery & Metal Products	4.0	3.5	-0.5	1.1	-1.8	2.1	0.2	-2.1
Energy & Environment	8.6	2.9	-5.7	-3.9	-2.9	0.1	0.3	0.6
Others	0.7	0.6	-0.1	0.0	0.0	0.1	0.0	-0.3
Total	31.1	25.0	-6.1	-4.3	-10.2	5.7	13.0	-10.4

*1: Including both selling and purchase change *2: Inventory valuation changes -8.1, Effect of exchanges conversion -2.9

Management Indices

— FY09 Consolidated Forecasts —

Item	Computation	Unit	FY08 (A)	FY09 (B)	Change (B) - (A)
Net D/E Ratio	Net debt ^{*1} / Equity capital	Times	1.6	1.5	-0.1
Equity Ratio	Equity capital / Total assets	%	25.4	25.6	0.2
Operating margin	Operating Income / Sales	%	4.6	4.5	-0.1
Return on Assets (ROA)	Business income ^{*2} / Total assets	%	4.8	3.8	-1.0
Return on Equity (ROE)	Net income / Equity capital	%	6.4	4.0	-2.4

*1: Net debt = Interest-bearing debt - Cash and cash equivalents

*2: Business income = Operating income + Interest and Dividend income + Equity income of unconsolidated subsidiaries and affiliates

Appendix

- **FY08 Non-Consolidated Results**
- **FY09 Non-Consolidated Forecasts**
- **Major Subsidiaries' Results**
- **R&D expenses, Capital Expenditure and Depreciation**
- **Major Items for Capital Expenditure for FY2009**

Sales and Operating Income by Segment

— FY08 Non-Consolidated Results —

(Billion Yen)

Segment	Sales			Operating Income		
	FY07 (A)	FY08 (B)	Change (B) - (A)	FY07 (A)	FY08 (B)	Change (B) - (A)
Chemicals & Plastics	127.4	111.1	-16.2	6.2	-2.1	-8.4
Specialty Chemicals & Products	58.8	52.7	-6.1	11.2	5.2	-5.9
Cement & Construction Materials	66.8	67.1	0.2	5.8	5.0	-0.8
Machinery & Metal Products	20.0	13.1	-6.8	-1.0	-2.6	-1.5
Energy & Environment	55.9	75.5	19.5	3.8	7.7	3.9
Others	0.3	0.3	0.0	0.2	0.2	0.0
Total	329.5	320.0	-9.4	26.3	13.5	-12.8

Operating Income – Net Income

– FY08 Non-Consolidated Results –

(Billion Yen)

Item	FY07 (A)	FY08 (B)	Change (B) - (A)
Operating income	26.3	13.5	-12.8
Non operating item	-4.4	-5.8	-1.4
Ordinary income	21.9	7.6	-14.2
Extraordinary item	-5.9	-8.9	-2.9
Income before income tax and minority interest	16.0	-1.2	-17.2
Income tax and minority interest	-7.1	*1 5.7	12.8
Net income	8.8	4.5	-4.3
Net income per share(Yen/Share)	8.83	4.49	-4.34

*1: Including tax effect relating to the loss from the dissolution of North American wheel manufacturing operations +6.8

Major B/S Items

— FY08 Non-Consolidated Results —

(Billion Yen)

Item	End of FY07 (End of Mar. 2008) (A)	End of FY08 (End of Mar. 2009) (B)	Change (B) - (A)
Current assets	134.4	136.6	2.2
Fixed assets	330.0	321.0	-8.9
Total assets	464.5	457.7	-6.7
Interest-bearing debts	235.6	249.2	13.6
Other liabilities	101.4	82.9	-18.5
Total liabilities	337.1	332.1	-4.9
Equity capital	127.2	125.3	-1.8
Share subscription rights	0.1	0.2	0.0
Total net assets	127.3	125.5	-1.8
Total liabilities and net assets	464.5	457.7	-6.7

Sales and Operating Income by Segment

— FY09 Non-Consolidated Forecasts —

(Billion Yen)

Segment	Sales			Operating Income		
	FY08 (A)	FY09 (B)	Change (B) - (A)	FY08 (A)	FY09 (B)	Change (B) - (A)
Chemicals & Plastics	111.1	80.0	-31.1	-2.1	-4.5	-2.4
Specialty Chemicals & Products	52.7	55.0	2.3	5.2	7.0	1.8
Cement & Construction Materials	67.1	64.0	-3.1	5.0	5.0	0.0
Machinery & Metal Products	13.1	1.7	-11.4	-2.6	-2.4	0.2
Energy & Environment	75.5	42.5	-33.0	7.7	2.2	-5.5
Others	0.3	0.3	0.0	0.2	0.2	0.0
Total	320.0	243.5	-76.5	13.5	7.5	-6.0

Operating Income – Net Income

– FY09 Non-Consolidated Forecasts –

(Billion Yen)

Item	FY08 (A)	FY09 (B)	Change (B) - (A)
Operating income	13.5	7.5	-6.0
Non operating item	-5.8	-5.0	0.8
Ordinary income	7.6	2.5	-5.1
Extraordinary item	-8.9	-2.5	6.4
Income before income tax and minority interest	-1.2	0.0	1.2
Income tax and minority interest	*1 5.7	0.0	-5.7
Net income	4.5	0.0	-4.5
Net income per share(Yen/Share)	4.49	0.00	-4.49

*1: Including tax effect relating to the loss from the dissolution of North American wheel manufacturing operations +6.8

Major Subsidiaries

— FY08 Results —

(Billion Yen)

Subsidiaries and Affiliates		Business	Sales FY08	OP income change
Chemicals & Plastics	THAI CAPROLACTAM PUBLIC CO., LTD.	Manufacture and sales of caprolactam	41.2	↓
	UBE CHEMICAL EUROPE, S.A.	Manufacture and sales of caprolactam	30.0	↓
	UBE NYLON (THAILAND) LTD.	Manufacture and sales of polyamide resin	8.1	→
	THAI SYNTHETIC RUBBERS CO., LTD.	Manufacture and sales of polybutadiene	19.3	↓
	UBE ENGINEERING PLASTICS, S.A.	Manufacture and sales of polyamide resin	12.3	→
	UBE AMMONIA INDUSTRY, LTD.	Manufacture and sales of ammonia	15.1	→
	UBE FILM, LTD.	Manufacture and sales of plastic-film products	10.8	→
Specialty Chemicals & Products	UBE-NITTO KASEI CO., LTD.	Manufacture and sales of electronics & IT materials, FRP, industrial materials and fiber-reinforced plastics	13.2	↓
Cement & Construction Materials	UBE CONSTRUCTION MATERIALS SALES CO., LTD.	Sales of construction materials	44.0	→
	UBE MATERIAL INDUSTRIES, LTD.	Manufacture and sales of seawater magnesia, magnesium hydroxide, quicklime, slaked lime, and others	44.0	→
	UBE SHIPPING & LOGISTICS, LTD.	Domestic shipping, harbor transportation, shipping-agent services and customs clearing	14.4	→
	KANTO UBE HOLDINGS CO., LTD.	Manufacture and sales of ready-mixed concrete	12.3	↓
Machinery & Metal Products	UBE MACHINERY CORPORATION, LTD.	Manufacture and sales of industrial machinery and bridges	40.5	↓
	UBE STEEL CO., LTD.	Manufacture and sales of cast iron, steel products and rolled steel billets	29.0	→
	UBE TECHNO ENG. CO., LTD.	Service and maintenance of industrial machinery and equipment	11.3	↓
Energy & Environment	UBE C&A CO., LTD.	Sales of imported steaming coal from Australia and other countries	30.6	↑

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

R&D Expenses, Capital Expenditure and Depreciation

(Billion Yen)

Item	FY07	FY08	FY09
R&D expenses	13.5	14.1	13.8
Capital expenditure	30.9	35.4	25.0
Depreciation (& Amortization)	34.1	34.8	34.0

Major Items for Capital Expenditure for FY2009

(Billion Yen)

Segment	Item	Site	Completion
Specialty Chemicals & Products	No. 10 and 11 polyimide film production facilities	Sakai/Japan	Jul. & Sep. / '09
	Diol products production facilities	Thailand	May / '11
	Silicon nitride production facilities	Ube/Japan	Apr. & Sep. / '09
Chemicals & Plastics	Polyamide 6 polymerization facilities	Thailand	Sep. / '09

The logo consists of a blue square containing white text. The text is arranged in four lines: "Wings of", "technology", "Spirit of", and "innovation" in a serif font, followed by "UBE" in a bold, italicized sans-serif font.

Wings of
technology
Spirit of
innovation
UBE

This presentation material contains forward-looking statements concerning UBE’s future plans, strategies, and performance. These forward-looking statements are not historical facts; rather, they represent assumptions and beliefs based on economic, financial, and competitive data currently available. Forward-looking statements include information preceded by, followed by, or that include the words “project”, “predicts”, “expects”, “forecasts”, “could”, “may”, or similar expressions. Furthermore, they are subject to a number of risks and uncertainties which include, but are not limited to, economic conditions, fierce competition in this industry, customer demand, tax rules and regulations. Readers of this presentation material are cautioned not to place undue reliance on these forward-looking statements. Actual results may differ materially from expectations.