

Financial Results for the 3rd Quarter FY 2009

February 4, 2010

UBE INDUSTRIES, LTD.

Contents

- FY09 3rd Quarter Consolidated Results
- FY09 Consolidated Forecasts
- Appendix

※This “3rd Quarter (3Q)” data states information for 9 months totals
(April 1, 2009 – December 31, 2009)

FY09 3rd Quarter Consolidated Results

Scope of Consolidation

— Financial Results for the 3rd Quarter FY09 —

Item	End of FY08 (End of Mar. 2009) (A)	End of FY09 3Q (End of Dec. 2009) (B)	Change (B) - (A)	Notes
Number of consolidated subsidiaries	65	67	+2	Newly Included : 2 Newly Excluded : None
Number of equity method affiliates	27	25	-2	Newly Included : 1 Newly Excluded : 3
Total	92	92	0	

Major P/L & B/S Items

— Financial Results for the 3rd Quarter FY09 —

(Billion Yen)

Item	FY08 3Q (A)	FY09 3Q (B)	Change (B) - (A)
Sales	546.7	398.1	-148.6
Operating income	37.3	18.3	-18.9
Ordinary income	30.5	12.0	-18.4
Net income	19.6	5.3	-14.3
Item	End of FY08 (End of Mar. 2009) (A)	End of FY09 3Q (End of Dec. 2009) (B)	Change (B) - (A)
Total assets	677.9	662.7	-15.2
Debt	306.8	297.9	-8.8
Net debt	267.7	265.1	-2.5
Equity capital *1	171.9	174.2	2.3

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

Non Operating Items

— Financial Results for the 3rd Quarter FY09 —

(Billion Yen)

Item		FY08 3Q (A)	FY09 3Q (B)	Change (B) - (A)
Operating income		37.3	18.3	-18.9
Non Operating Items	Net interest expense	-3.6	-3.6	0.0
	Equity in earnings of unconsolidated subsidiaries and affiliated companies	0.7	0.4	-0.2
	Gain(loss) on foreign currency exchange	-1.2	0.0	1.1
	Others	-2.6	-3.0	-0.4
	Total	-6.8	-6.3	0.4
Ordinary income		30.5	12.0	-18.4

Extraordinary Items

— Financial Results for the 3rd Quarter FY09 —

(Billion Yen)

Item		FY08 3Q (A)	FY09 3Q (B)	Change (B) - (A)
	Gain on share change balance	0.3	0.0	-0.3
	Reversal of allowance for doubtful accounts	0.0	0.3	0.3
	Others	0.0	0.1	0.1
	Extraordinary income	0.3	0.4	0.0
	Loss on disposal of PP & E	-0.3	-2.4	-2.0
	Loss on impairment	-1.6	0.0	1.6
	Loss on related business	-2.7	-0.1	2.6
	Others	-1.0	-0.1	0.9
	Extraordinary loss	-5.8	-2.8	3.0
	Net extraordinary income/loss	-5.4	-2.3	3.1

Operating Income – Net Income

– Financial Results for the 3rd Quarter FY09 –

(Billion Yen)

Item	FY08 3Q (A)	FY09 3Q (B)	Change (B) - (A)
Operating income	37.3	18.3	-18.9
Non operating item	-6.8	-6.3	0.4
Ordinary income	30.5	12.0	-18.4
Extraordinary item	-5.4	-2.3	3.1
Income before income tax and minority interest	25.0	9.6	-15.3
Income tax and minority interest	-5.3	-4.3	1.0
Net income	19.6	5.3	-14.3
Net income per share(Yen/Share)	19.58 yen	5.33 yen	-14.25 yen

Environmental Factors

— Financial Results for the 3rd Quarter FY09 —

(Billion Yen)

Item		FY08 3Q (A)	FY09 3Q (B)	Change (B) - (A)	Impacts on Consolidated OP Income	
Exchange Rate		Yen/\$	102.8	93.6	-9.2	0.6
Material Price	(CIF)	\$/t	917	571	-345	5.5
	Naphtha					(6.4)
	(Domestic)	Yen/KL	68,500	39,100	-29,400	
	Benzene					10.9
	(Average of US and Euro Contract Price)	\$/t	1,143	696	-447	(12.7)
Australian Coal						10.2
	(CIF)	Yen/t	16,448	9,048	-7,400	(11.6)

(): including impacts on fluctuation of exchange rate

Sales by Segment

— Financial Results for the 3rd Quarter FY09 —

(Billion Yen)

Segment	FY08 3Q (A)	FY09 3Q (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	181.1	112.5	-68.6	Caprolactam chain -53.8 Synthetic rubber -14.0, etc.
Specialty Chemicals & Products	71.8	54.6	-17.2	Specialty products -8.6 Overseas sales subsidiaries -5.8 Fine chemicals and Pharmaceuticals -2.8
Cement & Construction Materials	162.2	137.1	-25.1	Cement and Ready-mixed concrete -13.9 Construction materials and Quicklime related products -11.7, etc.
Machinery & Metal Products	84.2	59.6	-24.5	Machinery -14.8 Aluminum wheels -9.7
Energy & Environment	44.4	31.5	-12.8	Coal -12.3 Power -0.5
Others	2.8	2.6	-0.1	
Total	546.7	398.1	-148.6	Decreased by 27.2%

Operating Income by Segment

— Financial Results for the 3rd Quarter FY09 —

(Billion Yen)

Segment	FY08 3Q (A)	FY09 3Q (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	11.7	1.0	-10.6	Caprolactam chain -7.3 Synthetic rubber -3.9, etc.
Specialty Chemicals & Products	7.6	5.8	-1.7	Specialty products -1.9 Fine chemicals and Pharmaceuticals 0.4, etc.
Cement & Construction Materials	8.0	4.2	-3.8	Cement and Ready-mixed concrete -2.7 Construction materials and Quicklime related products -1.1
Machinery & Metal Products	2.9	3.1	0.1	Machinery -0.6 Aluminum wheels 0.7
Energy & Environment	6.4	3.4	-3.0	Coal -2.8 Power -0.4, etc.
Others	0.6	0.6	0.0	
Total	37.3	18.3	-18.9	Decreased by 50.7%

Analysis of Operating Income

— Financial Results for the 3rd Quarter FY09 —

(Billion Yen)

Segment	Operating Income							
	FY08 3Q (A)	FY09 3Q (B)	Change (B) - (A)	Price *1	Sales Volume	Fixed Cost	Impact due to LCM Method	Others *2
Chemicals & Plastics	11.7	1.0	-10.6	-10.1	-3.2	3.8	8.4	-9.5
Specialty Chemicals & Products	7.6	5.8	-1.7	-0.8	-3.5	3.0	0.1	-0.5
Cement & Construction Materials	8.0	4.2	-3.8	1.8	-6.9	3.2	0.0	-1.9
Machinery & Metal Products	2.9	3.1	0.1	0.1	-1.6	2.4	-0.1	*3 -0.6
Energy & Environment	6.4	3.4	-3.0	-3.4	-1.4	0.1	0.2	*4 1.5
Others	0.6	0.6	0.0	0.0	0.0	0.1	0.0	-0.1
Total	37.3	18.3	-18.9	-12.4	-16.6	12.6	8.6	-11.1

*1: Including both selling and purchase change

*2: Including inventory valuation changes -8.1

*3: Including marginal profit on machinery products -1.5

*4: Including decrease in excluding unrealized gains 1.0

Consolidated Balance Sheet

— Financial Results for the 3rd Quarter FY09 —

(Billion Yen)

Item	End of FY08 (A)	End of FY09 3Q (B)	Change (B) - (A)
Current assets	277.5	269.5	-8.0
Fixed assets	400.3	393.1	-7.2
Total assets	677.9	662.7	-15.2
Interest-bearing debts	306.8	297.9	-8.8
Other liabilities	176.4	167.4	-8.9
Total liabilities	483.2	465.4	-17.8
Equity capital *1	171.9	174.2	2.3
Minority interest	22.7	23.0	0.2
Total net assets	194.7	197.2	2.5
Total liabilities and net assets	677.9	662.7	-15.2

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

Consolidated Statements of Cash Flows

— Financial Results for the 3rd Quarter FY09 —

(Billion Yen)

Item	FY08 3Q	FY09 3Q	
A.Cash flows from operating activities	23.6	32.6	Income before tax and minority interests 9.6 Depreciation and amortization 25.2 Working capital 4.2 Payment of Interest -3.9
B.Cash flows from investing activities	-23.5	-24.1	Acquisition of PP&E -24.3
Free cash flows (A+B)	0.1	8.4	
C.Cash flows from financing activities	6.8	-14.7	Increase in interest-bearing debts etc. -9.1 Dividends -4.5
D.Net increase/decrease in cash and cash equivalents	5.4	-6.4	
E.Cash and cash equivalents at end of the third quarter	30.5	32.8	

Business Highlight

— Financial Results for the 3rd Quarter FY09 —

Chemicals and Plastics

- ◆ The project of reducing N₂O in the production process of caprolactam in Thailand was registered by the United Nations. (June 2009)
- ◆ Ube Industries to merge Thai Caprolactam Public Co., Ltd. and Ube Nylon (Thailand) Ltd., in Thailand on February, 2010.
The merged company will be named Ube Chemicals (Asia) Public Co., Ltd. (Dec 2010)

Specialty Chemicals and Products

- ◆ Ube Industries has completed its plant construction for silicon nitride (increasing its capabilities). (April 2009)
- ◆ Ube Industries established the new subsidiary was named Ube Fine Chemicals (Asia) Co., Ltd. in Thailand. (June 2009)
- ◆ The U.S. Food and Drug Administration (FDA) has approved Effient™ (prasugrel), an antiplatelet agent discovered by Ube Industries and Daiichi Sankyo Co., Ltd. (July 2009)
- ◆ Ube Industries decide on plans to construction of its fourth pharmaceutical manufacturing facility.
The new facility will position the Company to respond to future increases in demand. (Dec 2010)

Machinery and Metal Products

- ◆ Ube Industries, Ltd. spin off its aluminum wheel business by establishing a new wholly-owned subsidiary UBE ALUMINUM WHEELS Ltd. (July 2009)

FY09 Consolidated Forecasts

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 (A)	End of FY09 (B)	Change (B) - (A)
Total assets	677.9	665.0	-12.9
Debt	306.8	290.0	-16.8
Net debt	267.7	257.0	-10.7
Equity capital *1	171.9	175.0	3.1

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

Sales Progress by Segment

— FY09 Consolidated Forecasts —

(Billion Yen)

Segment	FY08			FY09		
	Full Year	3Q	Progress (A)	Full Year Forecast	3Q	Progress (B)
Chemicals & Plastics	212.6	181.1	85.2%	162.5	112.5	69.2%
Specialty Chemicals & Products	87.0	71.8	82.5%	77.0	54.6	70.9%
Cement & Construction Materials	209.4	162.2	77.5%	183.0	137.1	74.9%
Machinery & Metal Products	110.0	84.2	76.5%	81.5	59.6	73.1%
Energy & Environment	61.8	44.4	71.8%	44.6	31.5	70.6%
Others	3.5	2.8	80.0%	3.4	2.6	76.5%
Total	684.7	546.7	79.8%	552.0	398.1	72.1%

Operating Income Progress by Segment

— FY09 Consolidated Forecasts —

(Billion Yen)

Segment	FY08			FY09		
	Full Year	3Q	Progress (A)	Full Year Forecast	3Q	Progress (B)
Chemicals & Plastics	2.0	11.7	585.0%	4.0	1.0	25.0%
Specialty Chemicals & Products	6.7	7.6	113.4%	8.0	5.8	72.5%
Cement & Construction Materials	8.8	8.0	90.9%	5.0	4.2	84.0%
Machinery & Metal Products	4.0	2.9	72.5%	3.4	3.1	91.2%
Energy & Environment	8.6	6.4	74.4%	4.0	3.4	85.0%
Others	0.7	0.6	85.7%	0.6	0.6	100.0%
Total	31.1	37.3	119.9%	25.0	18.3	73.2%

Appendix

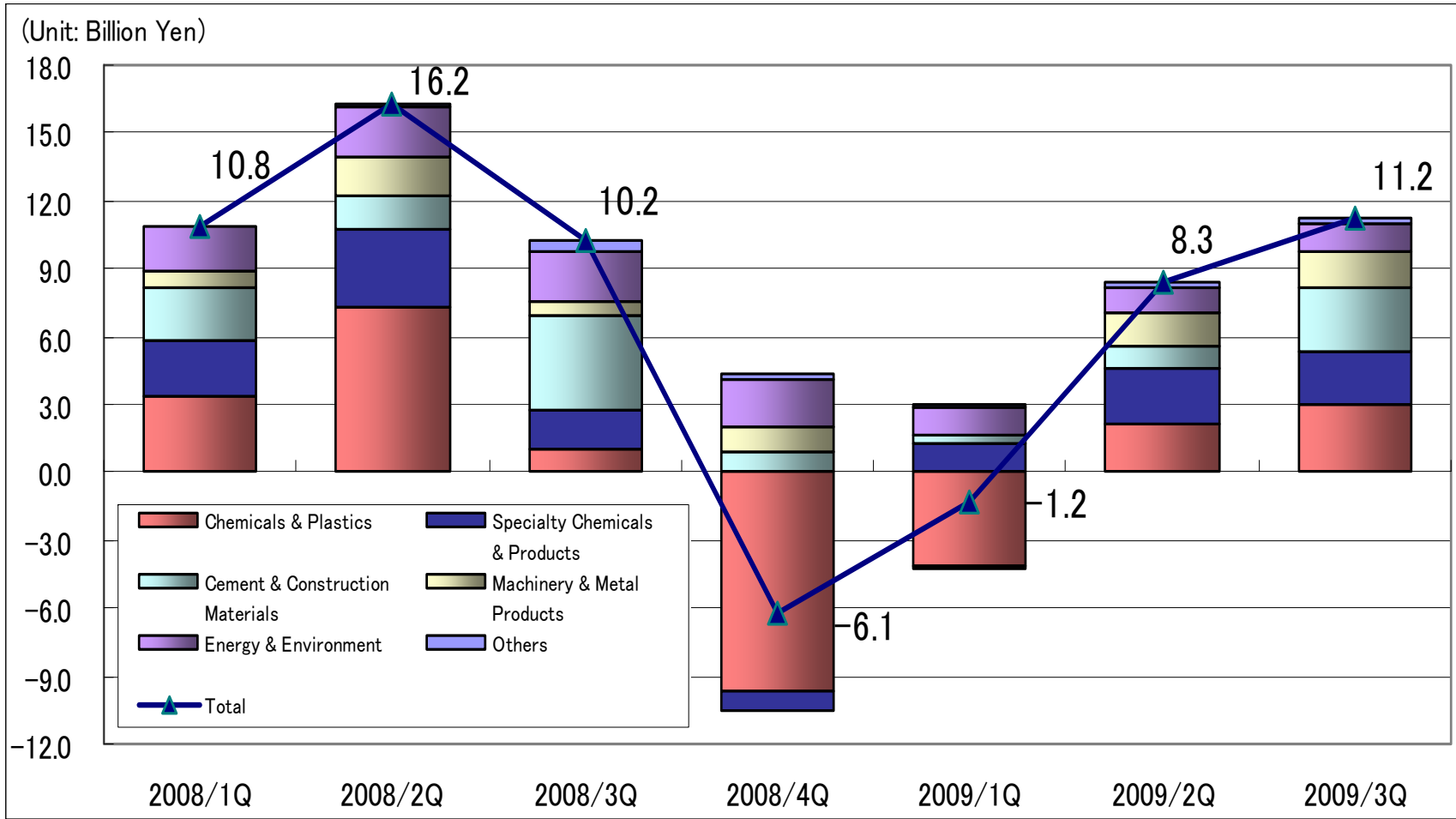
Achievement of Major Consolidated Subsidiaries

(Billion Yen)

Subsidiaries and Affiliates		Business	Sales FY09 3Q	Operating income change from FY08 3Q
Chemicals & Plastics	THAI CAPROLACTAM PUBLIC CO., LTD.	Manufacture and sales of caprolactam	16.9	↓
	UBE CHEMICAL EUROPE, S.A.	Manufacture and sales of caprolactam	13.3	↓
	UBE NYLON (THAILAND) LTD.	Manufacture and sales of polyamide resin	4.5	→
	THAI SYNTHETIC RUBBERS CO., LTD.	Manufacture and sales of polybutadiene	6.5	↓
	UBE ENGINEERING PLASTICS, S.A.	Manufacture and sales of polyamide resin	6.4	↑
	UBE AMMONIA INDUSTRY, LTD.	Manufacture and sales of ammonia	8.6	↑
	UBE FILM, LTD.	Manufacture and sales of plastic-film products	7.7	↑
Specialty Chemicals & Products	UBE-NITTO KASEI CO., LTD.	Manufacture and sales of electronics & IT materials, FRP, industrial materials and fiber-reinforced plastics	8.8	→
Cement & Construction Materials	UBE CONSTRUCTION MATERIALS SALES CO., LTD.	Sales of construction materials	30.5	→
	UBE MATERIAL INDUSTRIES, LTD.	Manufacture and sales of seawater magnesia, magnesium hydroxide, quicklime, slaked lime, and others	26.2	↓
	UBE SHIPPING & LOGISTICS, LTD.	Domestic shipping, harbor transportation, shipping-agent services and customs clearing	9.8	↓
	KANTO UBE HOLDINGS CO., LTD.	Manufacture and sales of ready-mixed concrete	7.7	↑
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	14.3	→
	UBE TECHNO ENG. CO., LTD.	Service and maintenance of industrial machinery and equipment	6.5	↓
Energy & Environment	UBE C&A CO., LTD.	Sales of imported steaming coal from Australia and other countries	15.8	↓

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

Change in Quarterly Operating Income by Segment



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.