

**FY2012 Consolidated Results
FY2013 Consolidated Forecasts**

May 10, 2013

UBE INDUSTRIES, LTD.

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FY12 Consolidated Results

Scope of Consolidation

— FY12 Consolidated Results —

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	25	0	Newly Included: None Newly Excluded: Nnone
Total	92	92	0	

Environmental Factors

— FY12 Consolidated Results —

(Billion Yen)

Item			FY11 (A)	FY12 (B)	Change (B) - (A)	Impacts on Consolidated OP Income
Exchange Rate		Yen/\$	79.1	83.1	4.0	0.4
Material Price	Naphtha (Domestic)	\$/t	965	965	0	0.0
		Yen/KL	55,000	57,500	2,500	(-0.8)
	Benzene (Average of US and Euro Contract Price)	\$/t	1,147	1,312	165	-4.6 (-5.2)
	Australian Coal (CIF)	\$/t	143.6	126.8	-16.8	3.2
		Yen/t	11,360	10,540	-820	(1.9)

(): including impacts from fluctuation of exchange rate

Major P/L & B/S Items

— FY12 Consolidated Results —

(Billion Yen)

Item	FY11 (A)	FY12 (B)	Change (B) - (A)
Sales	638.6	626.0	-12.6
Operating income	46.0	29.9	-16.0
Ordinary income	40.8	28.0	-12.7
Net income	22.9	8.2	-14.7
Item	End of FY11 (A)	End of FY12 (B)	Change (B) - (A)
Total assets	664.9	685.8	20.9
Debt	253.9	246.6	-7.3
Net debt	220.8	210.6	-10.1
Equity capital *1	199.4	215.5	16.0
Dividend(Yen /Share)	5.0	5.0	0.0

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

Non Operating Items

— FY12 Consolidated Results —

(Billion Yen)

Item		FY11 (A)	FY12 (B)	Change (B) - (A)
Operating income		46.0	29.9	-16.0
Non operating income / loss	Net interest income / expense	-3.1	-2.6	0.5
	Equity in earnings of unconsolidated subsidiaries and affiliated companies	0.8	1.2	0.3
	Net gain/loss on Foreign currency exchange	-0.3	1.3	1.7
	Others	-2.5	-1.8	0.6
	Total	-5.1	-1.9	3.2
Ordinary income		40.8	28.0	-12.7

Extraordinary Items

— FY12 Consolidated Results —

(Billion Yen)

Item		FY11	FY12	Change
		(A)	(B)	(B) - (A)
Ordinary income		40.8	28.0	-12.7
Extraordinary income / loss	Loss on disposal of PP&E	-2.5	-8.4	-5.8
	Loss on impairment	-2.0	-3.1	-1.0
	Loss on related business	-0.2	-2.7	-2.4
	Others	1.6	2.0	0.4
Total		-3.2	-12.2	-8.9
Income before income tax and minority interest		37.5	15.8	-21.7

Operating Income – Net Income

– FY12 Consolidated Results –

(Billion Yen)

Item	FY11 (A)	FY12 (B)	Change (B) - (A)
Operating income	46.0	29.9	-16.0
Non operating item	-5.1	-1.9	3.2
Ordinary income	40.8	28.0	-12.7
Extraordinary item	-3.2	-12.2	-8.9
Income before income tax and minority interest	37.5	15.8	-21.7
Income tax and minority interest	-14.6	-7.5	7.0
Net income	22.9	8.2	-14.7
Net income per share(Yen/Share)	22.85yen	8.22yen	-14.63yen

Sales by Segment

— FY12 Consolidated Results —

(Billion Yen)

Segment	FY11 (A)	FY12 (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	231.0	219.3	-11.6	Caprolactam chain -5.6 Synthetic rubber -6.0
Specialty Chemicals & Products	64.3	61.1	-3.2	Specialty products -3.9 Fine chemicals 0.6
Pharmaceutical	11.1	11.4	0.2	
Cement & Construction Materials	209.1	208.3	-0.7	Cement and Ready-mixed concrete 2.9 Construction materials and Quicklime related products -3.4, etc.
Machinery & Metal Products	72.5	71.3	-1.2	
Energy & Environment	62.5	68.7	6.2	Coal 5.6, Power 0.6
Others	25.9	25.2	-0.6	
Adjustment	-38.0	-39.6	-1.5	
Total	638.6	626.0	-12.6	Decreased by 2.0%

Operating Income by Segment

— FY12 Consolidated Results —

(Billion Yen)

Segment	FY11 (A)	FY12 (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	22.9	5.0	-17.9	Caprolactam chain -14.1 Synthetic rubber -3.8
Specialty Chemicals & Products	5.4	1.2	-4.2	Specialty products -3.9 Fine chemicals -0.3
Pharmaceutical	3.7	3.4	-0.3	
Cement & Construction Materials	8.6	11.4	2.8	Cement and Ready-mixed concrete 3.6 Construction materials and Quicklime related products -0.8, etc.
Machinery & Metal Products	3.0	3.6	0.6	
Energy & Environment	3.3	5.9	2.6	Coal 0.5, Power 2.1
Others	1.0	1.0	0.0	
Adjustment	-2.3	-1.9	0.3	
Total	46.0	29.9	-16.0	Decreased by 34.9%

Analysis of Operating Income

— FY12 Consolidated Results —

(Billion Yen)

Segment	Operating Income						
	FY11 (A)	FY12 (B)	Change (B) - (A)	Price *1	Sales Volume	Fixed Cost	Others *2
Chemicals & Plastics	22.9	5.0	-17.9	-20.4	2.6	-0.2	0.1
Specialty Chemicals & Products	5.4	1.2	-4.2	-2.7	0.3	-0.6	-1.2
Pharmaceutical	3.7	3.4	-0.3	-1.3	0.8	-0.3	0.4
Cement & Construction Materials	8.6	11.4	2.8	3.1	-2.2	2.6	-0.7
Machinery & Metal Products	3.0	3.6	0.6	0.1	-0.4	0.2	*3 0.8
Energy & Environment	3.3	5.9	2.6	1.1	0.5	0.5	0.5
Others	1.0	1.0	0.0	-0.2	0.1	0.1	0.0
Adjustment	-2.3	-1.9	0.3	0.0	0.0	0.4	0.0
Total	46.0	29.9	-16.0	-20.3	1.6	2.7	-0.1

*1: Including both selling and purchase change *2: Including inventory valuation changes -0.9

*3: Including marginal profit on machinery products 1.4

Consolidated Balance Sheet

— FY12 Consolidated Results —

(Billion Yen)

Item		End of FY11	End of FY12	Change
		(A)	(B)	(B) - (A)
Assets	Current assets	284.4	287.3	2.9
	Fixed assets	380.4	398.3	17.8
	Total	664.9	685.8	20.9
Liabilities	Interest-bearing debts	253.9	246.6	-7.3
	Other liabilities	186.5	188.4	1.8
	Total	440.5	435.1	-5.4
Net Assets	Equity capital *1	199.4	215.5	16.0
	Minority interests and others	24.9	35.2	10.3
	Total	224.4	250.7	26.3
Total liabilities and net assets		664.9	685.8	20.9

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

Consolidated Statements of Cash Flows

— FY12 Consolidated Results —

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(Billion Yen)

Item	FY11	FY12	
A.Cash flows from operating activities	40.6	46.1	Income before income tax and minority interests 15.8 Depreciation and amortization 31.3 Working capital 2.1, Tax payment -11.5, etc.
B.Cash flows from investing activities	-43.5	-39.0	Acquisition of PP&E -37.3 Acquisition of shares of subsidiaries -6.6 Proceeds from sale of shares of subsidiaries 4.0, etc
Free cash flows (A+B)	-2.9	7.0	
C.Cash flows from financing activities	-12.6	-5.8	Decrease in interest-bearing debts -8.9 Proceeds from stock issuance to minority shareholders 9.6 Dividends -6.1, etc.
D.Net increase/decrease in cash and cash equivalents	-16.4	2.8	
E.Cash and cash equivalents at end of the fiscal year	33.1	35.9	

FY13 Consolidated Forecasts

Scope of Consolidation

— FY13 Consolidated Forecasts —

Item	End of FY12 (A)	End of FY13 (B)	Change (B) - (A)	Notes
Number of consolidated subsidiaries	67	66	- 1	Newly Included: 1 Newly Excluded: 2
Number of equity method affiliates	25	25	0	Newly Included: None Newly Excluded: None
Total	92	91	- 1	

Environmental Factors

— FY13 Consolidated Forecasts —

(Billion Yen)

Item			FY12 (A)	FY13 (B)	Change (B) - (A)	Impacts on Consolidated OP Income
Exchange Rate		Yen/\$	83.1	95.0	11.9	1.0
Material Price	Naphtha (Domestic)	\$/t	965	950	-15	0.3
		Yen/KL	57,500	64,700	7,200	(-2.3)
	Benzene (Average of US and Euro Contract Price)	\$/t	1,312	1,345	33	-1.0 (-8.4)
	Australian Coal (CIF)	\$/t	126.8	110.9	-15.9	3.1
		Yen/t	10,540	10,540	0	(0.0)

(): including impacts from fluctuation of exchange rate

Major P/L & B/S Items

– FY13 Consolidated Forecasts –

(Billion Yen)

Item	FY12 (A)	FY13 (B)	Change (B) - (A)
Sales	626.0	675.0	49.0
Operating income	29.9	34.0	4.1
Ordinary income	28.0	28.5	0.5
Net income	8.2	14.5	6.3
Item	End of FY12 (A)	End of FY13 (B)	Change (B) - (A)
Total assets	685.8	710.0	24.2
Debt	246.6	250.0	3.4
Net debt	210.6	215.0	4.4
Equity capital *1	215.5	227.5	12.0
Dividend(Yen /Share)	5.0	5.0	0.0

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

Operating Income – Net Income

– FY13 Consolidated Forecasts –

(Billion Yen)

Item	FY12 (A)	FY13 (B)	Change (B) - (A)
Operating income	29.9	34.0	4.1
Non operating item	-1.9	-5.5	-3.6
Ordinary income	28.0	28.5	0.5
Extraordinary item	-12.2	-3.5	8.7
Income before income tax and minority interest	15.8	25.0	9.2
Income tax and minority interest	-7.5	-10.5	-3.0
Net income	8.2	14.5	6.3
Net income per share(Yen/Share)	8.22yen	14.42yen	6.20yen

Sales by Segment

— FY13 Consolidated Forecasts —

(Billion Yen)

Segment	FY12 (A)	FY13 (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	219.3	251.0	31.7	Caprolactam chain 23.9 Synthetic rubber 7.7
Specialty Chemicals & Products	61.1	74.0	12.9	Specialty products 9.9 Fine chemicals 3.0
Pharmaceutical	11.4	10.0	-1.4	
Cement & Construction Materials	208.3	212.0	3.7	Cement and Ready-mixed concrete 1.0 Construction materials and Quicklime related products 2.3, etc.
Machinery & Metal Products	71.3	76.0	4.7	
Energy & Environment	68.7	65.5	-3.2	Coal -3.1, etc.
Others	25.2	26.0	0.8	
Adjustment	-39.6	-39.5	0.1	
Total	626.0	675.0	49.0	Increased by 7.8%

Operating Income by Segment

— FY13 Consolidated Forecasts —

(Billion Yen)

Segment	FY12 (A)	FY13 (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	5.0	7.0	2.0	Caprolactam chain 0.2 Synthetic rubber 1.7
Specialty Chemicals & Products	1.2	4.5	3.3	Specialty products 2.5 Fine chemicals 0.8
Pharmaceutical	3.4	2.0	-1.4	
Cement & Construction Materials	11.4	13.0	1.6	Cement and Ready-mixed concrete 1.8, etc.
Machinery & Metal Products	3.6	4.0	0.4	
Energy & Environment	5.9	4.0	-1.9	Coal -0.5, Power -1.2, etc.
Others	1.0	1.0	0.0	
Adjustment	-1.9	-1.5	0.4	
Total	29.9	34.0	4.1	Increased by 13.5%

Analysis of Operating Income

— FY13 Consolidated Forecasts —

(Billion Yen)

Segment	Operating Income						
	FY12 (A)	FY13 (B)	Change (B) - (A)	Price *1	Sales Volume	Fixed Cost	Others *2
Chemicals & Plastics	5.0	7.0	2.0	-2.2	3.7	1.4	-1.0
Specialty Chemicals & Products	1.2	4.5	3.3	-1.8	7.3	-1.7	-0.4
Pharmaceutical	3.4	2.0	-1.4	-1.2	-0.7	-0.3	0.8
Cement & Construction Materials	11.4	13.0	1.6	-0.1	1.4	1.0	-0.8
Machinery & Metal Products	3.6	4.0	0.4	-0.2	0.3	0.4	*3 -0.2
Energy & Environment	5.9	4.0	-1.9	-0.5	-0.2	-0.9	-0.4
Others	1.0	1.0	0.0	0.1	-0.1	0.1	-0.1
Adjustment	-1.9	-1.5	0.4	0.0	0.0	0.4	0.0
Total	29.9	34.0	4.1	-5.9	11.6	0.4	-2.1

*1: Including both selling and purchase change *2: Including inventory valuation changes -2.8

*3: Including marginal profit on machinery products -0.5

Appendix

Major Subsidiaries

— FY12 Consolidated Results —

(Billion Yen)

Subsidiaries and Affiliates		Business	Sales FY12	Operating income change from FY11
Chemicals & Plastics	UBE CHEMICALS (ASIA) PUBLIC CO., LTD.	Manufacture and sales of caprolactam and polyamide resin	41.8	↓
	UBE CHEMICAL EUROPE, S.A.	Manufacture and sales of caprolactam.	28.8	↓
	THAI SYNTHETIC RUBBERS CO., LTD.	Manufacture and sales of polybutadiene	14.4	↓
	UBE ENGINEERING PLASTICS, S.A.	Manufacture and sales of polyamide resin	11.3	→
	UBE AMMONIA INDUSTRY, LTD.	Manufacture and sales of ammonia	14.4	→
	UBE FILM, LTD.	Manufacture and sales of plastic-film products	9.3	↓
Specialty Chemicals & Products	UBE-NITTO KASEI CO., LTD.	Manufacture and sales of electronics & IT materials, FRP, industrial materials and fiber-reinforced plastics	12.7	↓
Cement & Construction Materials	UBE CONSTRUCTION MATERIALS SALES CO., LTD.	Sales of construction materials	51.6	→
	UBE SHIPPING & LOGISTICS, LTD.	Domestic shipping, harbor transportation, shipping-agent services and customs clearing	18.2	↑
	KANTO UBE CONCRETE CO., LTD.	Manufacture and sales of ready-mixed concrete	12.1	↑
Machinery & Metal Products	UBE MACHINERY CORPORATION, LTD.	Manufacture and sales of industrial machinery and bridges	34.6	↑
	UBE STEEL CO., LTD.	Manufacture and sales of cast iron, steel products and rolled steel billets	17.0	↓
	UBE TECHNO ENG. CO., LTD.	Service and maintenance of industrial machinery and equipment	12.8	↑
Energy & Environment	UBE C&A CO., LTD.	Sales of imported steaming coal from Australia and other countries	28.0	→

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

Management Indices

Item	Computation	Unit	FY11 (A)	FY12 (B)	FY13 (B)
Net D/E Ratio	Net debt /Equity capital	Times	1.11	0.98	0.95
Equity Ratio	Equity capital /Total assets	%	30.0	31.4	32.0
Operating margin	Operating Income /Sales	%	7.2	4.8	5.0
Return on Assets (ROA)	Business income /Total assets	%	7.2	4.8	5.0
Return on Equity (ROE)	Net income /Equity capital	%	11.9	4.0	6.5

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

R&D Expenses, Capital Expenditure and Depreciation

(Billion Yen)

Item	FY11	FY12	FY13
R&D expenses	13.7	14.0	14.5
Capital expenditure	44.4	40.9	40.0
Depreciation (& Amortization)	32.9	31.3	33.0

Major Items for Capital Expenditure

Segment	Item	Site	Completion
Chemicals&Plastics	Production facilities for Butadiene rubbers (expansion)	Chiba/Japan	Feb./'14
	Production facilities for Butadiene rubbers as a joint venture	Malaysia	FY14
	Production facilities for nylon6 (expansion)	Spain	Sep./'14
	Production facilities for liquid carbonic acid	Ube/Japan	Jul./'13
Specialty Chemicals & Products	Production facilities for separator (expansion)	Sakai/Japan	FY13 ~ FY15
Cement & Construction Materials	Development of Kanayamadai mining area	Isa/Japan	Oct./'17
Energy & Environment	Construction of mega solar power plants	Ube/Japan	Jun./'14



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