

FY2014 Consolidated Results
FY2015 Consolidated Forecasts

May 12, 2015

UBE INDUSTRIES, LTD.

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FY2014 Consolidated Results

Scope of Consolidation

- FY2014 Consolidated Results -

Item	End of FY2013 (A)	End of FY2014 (B)	Change (B) - (A)	Notes
Number of consolidated subsidiaries	65	71	6	+ UBE Machinery Thai + Ube Kenzai Corporation + AET LLC + AET (USA) LLC + AET (Europe) S.A. + AET (Zhangjiagang) Co., Ltd. (※)
Number of equity method affiliates	24	24	0	+ US Power - AET LLC (※)
Total	89	95	6	

※AET : Advanced Electrolyte Technologies

Environmental Factors

- FY2014 Consolidated Results -

(Billion Yen)

Item		FY2013 (A)	FY2014 (B)	Change (B) - (A)	Impacts on Consolidated OP Income	
Exchange Rate	Yen/\$	100.2	109.9	9.7	0.5	
Material Price	(CIF) Naphtha (Domestic)	\$/ t	940	820	-120	2.7
		Yen/KL	67,300	63,400	-3,900	(1.3)
	Benzene(ACP)	\$/ t	1,296	1,090	-206	5.5
	Benzene(USCP)	\$/ t	1,340	1,162	-178	(2.4)
	Australian Coal (CIF)	\$/ t	110.9	90.8	-20.1	4.2
	Yen/t	11,117	9,981	-1,136	(2.4)	

() :Including impacts from fluctuation of exchange rate

Major P/L & B/S Items

- FY2014 Consolidated Results -

(Billion Yen)

Item	FY2013 (A)	FY2014 (B)	Change (B) - (A)
Sales	650.5	641.7	-8.7
Operating income	24.4	24.1	-0.2
Ordinary income	18.6	23.2	4.5
Net income	12.6	14.6	2.0
Item	End of FY2013 (A)	End of FY2014 (B)	Change (B) - (A)
Total assets	700.7	711.5	10.8
Debt	245.8	239.7	-6.0
Net debt	215.7	202.7	-12.9
Equity capital *1	241.7	263.3	21.5

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

Sales by Segment

- FY2014 Consolidated Results -

(Billion Yen)

Segment	FY2013 (A)	FY2014 (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	230.5	215.4	-15.1	Nylon/Caprolactam chain -14.8, Synthetic rubber -0.3
Specialty Chemicals & Products	63.1	63.2	0.1	Specialty products -0.3, Fine chemicals 0.4
Pharmaceutical	9.7	7.8	-1.8	
Cement & Construction Materials	223.5	222.4	-1.0	Cement and Ready-mixed concrete 0.1, Construction materials and Limestone related products -1.2, etc
Machinery & Metal Products	75.5	78.9	3.4	
Energy & Environment	59.0	66.7	7.6	Coal 1.9, Power 6.0, etc
Others	28.8	33.2	4.4	Overseas sales company 4.3, etc
Adjustment	-39.8	-46.1	-6.3	
Total	650.5	641.7	-8.7	Decreased by 1.3%

Operating Income by Segment

- FY2014 Consolidated Results -

(Billion Yen)

Segment	FY2013 (A)	FY2014 (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	0.8	1.1	0.3	Nylon/Caprolactam chain -0.6, Synthetic rubber 0.9
Specialty Chemicals & Products	-0.4	-2.2	-1.8	Specialty products -1.6, Fine chemicals -0.2
Pharmaceutical	1.6	0.9	-0.7	
Cement & Construction Materials	15.5	17.0	1.5	Cement and Ready-mixed concrete 0.6, Construction materials and Limestone related products 0.9
Machinery & Metal Products	4.4	4.3	-0.1	
Energy & Environment	1.9	2.8	0.8	Coal -0.2, Power 1.2, etc
Others	1.0	1.2	0.2	
Adjustment	-0.6	-1.0	-0.3	
Total	24.4	24.1	-0.2	Decreased by 1.1%

- Analysis of Operating Income -

- FY2014 Consolidated Results -

(Billion Yen)

Segment	Operating Income						
	FY2013 (A)	FY2014 (B)	Change (B) - (A)	Price *1	Sales Volume	Fixed Cost	Others *2
Chemicals & Plastics	0.8	1.1	0.3	-3.5	0.5	1.4	1.8
Specialty Chemicals & Products	-0.4	-2.2	-1.8	-2.1	1.4	-0.6	-0.4
Pharmaceutical	1.6	0.9	-0.7	-0.0	-0.9	-0.1	0.3
Cement & construction Materials	15.5	17.0	1.5	1.8	-0.5	-0.3	0.5
Machinery & Metal Products	4.4	4.3	-0.1	0.0	0.1	-0.4	*3 0.0
Energy & Environment	1.9	2.8	0.8	0.0	1.3	-0.2	-0.2
Others	1.0	1.2	0.2	0.0	0.0	-0.0	0.2
Adjustment	-0.6	-1.0	-0.3	-	-	-0.3	-0.0
Total	24.4	24.1	-0.2	-3.8	1.9	-0.6	2.1

*1: Including both selling and purchase change *2: Including inventory valuation changes -0.7, lowest cost accounting 0.4

*3: Including marginal profit on machinery product 0.1

Non Operating Items

- FY2014 Consolidated Results -

(Billion Yen)

Item		FY2013 (A)	FY2014 (B)	Change (B) - (A)
Operating income		24.4	24.1	-0.2
Non operating income	Net interest expense	-2.0	-1.4	0.6
	Equity in earnings of unconsolidated subsidiaries and affiliated companies	-0.0	1.5	1.5
	Foreign currency gain/loss	0.2	1.1	0.9
	Others	-3.8	-2.2	1.6
	Total	-5.7	-0.9	4.8
Ordinary income		18.6	23.2	4.5

Extraordinary Items

- FY2014 Consolidated Results -

(Billion Yen)

Item	FY2013 (A)	FY2014 (B)	Change (B) - (A)
Gain on insurance claim	-	3.8	3.8
Gain on negative goodwill	2.8	0.2	-2.6
Loss on disposal of PP&E	-0.7	-2.7	-2.0
Loss on impairment	-0.1	(※) -1.5	-1.4
Loss on business of subsidiaries and affiliates	-0.0	(※) -4.5	-4.5
Loss on stop of equipment	-1.1	-0.7	0.4
Others	0.2	0.8	0.5
Net extraordinary income/loss	0.9	-4.7	-5.7

※ : Loss by dissolution of subsidiary, Ube Board Co., Ltd. -5.2

Operating Income - Net Income

- FY2014 Consolidated Results -

(Billion Yen)

Item	FY2013 (A)	FY2014 (B)	Change (B) - (A)
Operating income	24.4	24.1	-0.2
Non operating item	-5.7	-0.9	4.8
Ordinary income	18.6	23.2	4.5
Extraordinary item	0.9	-4.7	-5.7
Income before income tax and minority interest	19.6	18.4	-1.1
Income tax and minority interest	-7.0	-3.8	3.2
Net income	12.6	14.6	2.0
Net income per share(Yen/Share)	12.16yen	13.85yen	1.69yen

Consolidated Balance Sheet

- FY2014 Consolidated Results -

(Billion Yen)

Item	End of FY2013 (A)	End of FY2014 (B)	Change (B) - (A)
Current assets	296.5	282.8	-13.7
Fixed assets	404.0	428.5	24.5
Total assets	700.7	711.5	10.8
Interest-bearing debts	245.8	239.7	-6.0
Other liabilities	189.5	182.2	-7.3
Total liabilities	435.3	421.9	-13.4
Equity capital *1	241.7	263.3	21.5
Minority interests and others	23.6	26.2	2.6
Total net assets	265.3	289.6	24.2
Total liabilities and net assets	700.7	711.5	10.8

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

Consolidated Statements of Cash Flows

- FY2014 Consolidated Results -

(Billion Yen)

Item	FY2013	FY2014	
A.Cash flows from operating activities	37.0	62.1	Losses before income tax and minority interests 18.4, Depreciation and amortization 33.5, Working capital 8.4, etc.
B.Cash flows from investing activities	-40.7	-42.4	Acquisition of PP&E -41.9, etc.
Free cash flows (A+B)	-3.6	19.7	
C.Cash flows from financing activities	-7.4	-13.9	Decrease in interest-bearing debts -8.1, Dividends -5.4, etc.
D.Net increase/decrease in cash and cash equivalents	-5.8	6.8	
E.Cash and cash equivalents at end of the fiscal year	30.0	36.9	

FY2015 Consolidated Forecasts

Scope of Consolidation

- FY2015 Consolidated Forecasts -

Item	End of FY2014 (A)	End of FY2015 (B)	Change (B) - (A)	Notes
Number of consolidated subsidiaries	71	71	0	First half : + Sanshin Tsusho - AET (USA) LLC (※)
Number of equity method affiliates	24	25	1	First half : + LOTTE UBE Synthetic Rubber
Total	95	96	1	

※AET : Advanced Electrolyte Technologies

Environmental Factors

- FY2015 Consolidated Forecasts -

(Billion Yen)

Item		FY2014 (A)	FY2015 (B)	Change (B) - (A)	Impacts on Consolidated OP Income	
Exchange Rate	Yen/\$	109.9	120.0	10.1	0.5	
Material Price	(CIF) Naphtha (Domestic)	\$/ t	820	600	-220	4.2 (3.0)
		Yen/KL	63,400	52,000	-11,400	
	Benzene(ACP)	\$/ t	1,090	800	-290	4.3 (1.7)
	Benzene(USCP)	\$/ t	1,162	850	-312	
	Australian Coal (CIF)	\$/ t	90.8	77.2	-13.6	3.7 (1.7)
	Yen/t	9,981	9,266	-715		

() : including impacts from fluctuation of exchange rate

Major P/L & B/S Items

- FY2015 Consolidated Forecasts -

(Billion Yen)

Item	FY2014 (A)	FY2015 (B)	Change (B) - (A)
Sales	641.7	685.0	43.3
Operating income	24.1	36.0	11.9
Ordinary income	23.2	32.0	8.8
Profit attributable to owners of parent	14.6	17.0	2.4
Item	End of FY2014 (A)	End of FY2015 (B)	Change (B) - (A)
Total assets	711.5	725.0	13.5
Debt	239.7	222.0	-17.7
Net debt	202.7	195.0	-7.7
Equity capital *1	263.3	275.0	11.7
Dividend(Yen /Share)	5.0	5.0	0.0

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

Sales by Segment

- FY2015 Consolidated Forecasts -

(Billion Yen)

Segment	FY2014 (A)	FY2015 (B)	Change (B) - (A)	Major Factors
Chemicals	280.1	292.0	11.9	Nylon/Caprolactam chain -0.9, Synthetic rubber 1.5, Battery Materials and Fine Chemicals 8.4, Polyimide and Specialty Products 3.5, etc
Pharmaceutical	7.8	9.5	1.7	
Cement & Construction Materials	222.4	242.0	19.6	Cement and Ready-mixed concrete 23.8, Construction materials and Limestone related products -4.0, etc.
Machinery & Metal Products	78.9	83.5	4.6	
Energy & Environment	66.7	72.5	5.8	Coal -0.3 Power 6.1
Others	17.3	14.0	-3.3	
Adjustment	-31.7	-28.5	3.2	
Total	641.7	685.0	43.3	6.7% increase

The former Chemicals & Plastics segment and Specialty Chemicals & Products segment are included in the Chemicals segment as of April 1, 2015. Results for the year ended March 31, 2014 have been restated accordingly to allow comparison

Operating Income by Segment

- FY2015 Consolidated Forecasts -

(Billion Yen)

Segment	FY2014 (A)	FY2015 (B)	Change (B) - (A)	Major Factors
Chemicals	-0.9	9.5	10.4	Nylon/Caprolactam chain 7.2, Synthetic rubber -0.7, Battery Materials and Fine Chemicals 2.3, Polyimide and Specialty Products 1.8, etc
Pharmaceutical	0.9	1.5	0.6	
Cement & Construction Materials	17.0	17.5	0.5	Cement and Ready-mixed concrete 0.9, Construction materials and Limestone related products -0.4, etc.
Machinery & Metal Products	4.3	5.0	0.7	
Energy & Environment	2.8	3.0	0.2	Coal -0.3 Power 0.5
Others	1.1	1.0	-0.1	
Adjustment	-1.1	-1.5	-0.4	
Total	24.1	36.0	11.9	49.1% increase

Analysis of Operating Income

- FY2015 Consolidated Forecasts -

(Billion Yen)

Segment	Operating Income						
	FY2014 (A)	FY2015 (B)	Change (B) - (A)	Price *1	Sales Volume	Fixed Cost	Others *2
Chemicals	-0.9	9.5	10.4	1.8	6.9	-0.8	2.4
Pharmaceutical	0.9	1.5	0.6	0.1	-0.2	-0.3	1.0
Cement & Construction Materials	17.0	17.5	0.5	1.3	0.4	-1.3	-0.0
Machinery & Metal Products	4.3	5.0	0.7	0.2	0.0	-0.1	*3 0.6
Energy & Environment	2.8	3.0	0.2	1.2	1.5	-1.8	-0.7
Others	1.1	1.0	-0.1	0.0	0.0	-0.1	-0.0
Adjustment	-1.1	-1.5	-0.4	-	-	-0.4	0.0
Total	24.1	36.0	11.9	4.7	8.7	-5.0	3.4

*1:Including both selling and purchase change *2:Including inventory valuation changes -0.5, lowest cost accounting 0.6

*3:Including marginal profit on machinery product 0.5

Operating Income - Net Income - FY2015 Consolidated Forecasts -

(Billion Yen)

Item	FY2014 (A)	FY2015 (B)	Change (B) - (A)
Operating income	24.1	36.0	11.9
Non operating item	-0.9	-4.0	-3.1
Ordinary income	23.2	32.0	8.8
Extraordinary item	-4.7	-7.0	-2.3
Income before income tax and minority interest	18.4	25.0	6.6
Income tax and Profit attributable to non-controlling interests	-3.8	-8.0	-4.2
Profit attributable to owners of parent	14.6	17.0	2.4
Net income per share(Yen/Share)	13.85yen	16.07yen	2.22yen

Appendix

【Reference】 FY2014 Consolidated Results - Sales / Operating Income by Segment -

(Billion Yen)

Segment	Sales			Operating income		
	First half	Second half	Total	First half	Second half	Total
Chemicals	134.1	146.0	280.1	-3.3	2.4	-0.9
Pharmaceutical	3.5	4.2	7.8	0.4	0.4	0.9
Cement & Construction Materials	109.9	112.4	222.4	7.1	9.8	17.0
Machinery & Metal Products	35.2	43.7	78.9	0.6	3.6	4.3
Energy & Environment	30.7	36.0	66.7	1.0	1.8	2.8
Others	8.9	8.4	17.3	0.4	0.7	1.1
Adjustment	-14.8	-16.9	-31.7	-0.1	-0.9	-1.1
Total	307.7	334.0	641.7	6.2	17.9	24.1

【Reference】 FY2015 Consolidated Forecasts - Sales / Operating Income by Segment -

(Billion Yen)

Segment	Sales			Operating income		
	First half	Second half	Total	First half	Second half	Total
Chemicals	140.5	151.5	292.0	2.0	7.5	9.5
Pharmaceutical	3.5	6.0	9.5	0.5	1.0	1.5
Cement & Construction Materials	116.5	125.5	242.0	8.0	9.5	17.5
Machinery & Metal Products	38.0	45.5	83.5	1.5	3.5	5.0
Energy & Environment	38.0	34.5	72.5	2.0	1.0	3.0
Others	6.5	7.5	14.0	0.5	0.5	1.0
Adjustment	-13.0	-15.5	-28.5	-0.5	-1.0	-1.5
Total	330.0	355.0	685.0	14.0	22.0	36.0

FY2015 Major Items for Capital Expenditure

Segment	Subject	Place	Estimated completion date
Chemicals	Nylon6 expansion	Spain	FY2018
	PCD plant, New Facilities	Thailand	FY2015
Cement & Construction Materials	Waste heat power generation equipment	Kanda, Japan	FY2015
	Development of Kanayamadai mining zone	Isa, Japan	FY2018

Major Subsidiaries

- FY2014 Consolidated Results -

(Billion Yen)

Subsidiaries and Affiliates	Business	Sales FY2014	Operating income change from FY2013
UBE CHEMICALS (ASIA) PUBLIC CO., LTD	Manufacture and sales of caprolactam and polyamide resin	42.0	↓
UBE CHEMICAL EUROPE, S.A.	Manufacture and sales of caprolactam, ammonium sulfate and fine chemicals	36.8	↓
THAI SYNTHETIC RUBBERS CO., LTD.	Manufacture and sales of polybutadiene	14.9	↑
UBE ENGINEERING PLASTICS, S.A.	Manufacture and sales of polyamide resin	13.0	↓
UBE AMMONIA INDUSTRY, LTD.	Manufacture and sales of ammonia	15.4	→
UBE FILM, LTD.	Manufacture and sales of plastic-film products	9.0	→
UBE EXSYMO CO.,LTD	Manufacture and sales of electronics & IT materials, FRP, industrial materials and fiber-reinforced plastics	11.2	↓
UBE CONSTRUCTION MATERIALS SALES CO., LTD.	Sales of cement, ready-mixed concrete and construction materials	54.1	→
UBE MATERIAL INDUSTRIES,LTD.	Manufacture and sales of Mangesium, Limestone products	38.9	↑
UBE SHIPPING & LOGISTICS, LTD.	Coastal Shipping, Harbor Transport Business, Container Business, Trading Business and Technological Consultant Business	21.5	→
Ready-mixed concrete consolidated subsidiaries	Manufacture and sales of ready-mixed concrete	42.3	↓
UBE MACHINERY CORPORATION, LTD.	Manufacture and sales of industrial machinery and bridges	47.5	↑
UBE STEEL CO., LTD.	Manufacture and sales of cast iron, steel products and rolled steel billets	20.5	→
UBE C&A CO., LTD.	Sales of imported steaming coal from Australia and other countries	33.4	→

Note: ↑ ↓ :Represent an increase or decrease of over 0.1 billion JPY

【Reference】 Major data

- FY2014 Consolidated Results -

(Billion Yen)

Item	FY2013	FY2014	FY2015 Forecast
capital investment	36.3	42.5	38.0
Depreciation and amortization	32.4	33.5	36.5
R&D expense	13.9	13.8	14.5
Adjusted operating profit	25.2	26.6	37.5
Debt	245.8	239.7	222.0
Net debt	215.7	202.7	195.0
Equity capital	241.7	263.3	275.0
Total assets	700.7	711.5	725.0
Net D/E Ratio (time)	0.89	0.77	0.71
Equity Ratio (%)	34.5	37.0	37.9
Operating margin (%)	3.8	3.8	5.3
Return on Assets (ROA) (%)	3.6	3.8	5.2
Return on Equity (ROE) (%)	5.5	5.8	6.3
Number of employees	11,225	10,702	10,900



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.

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