

## **Ube Industries to Transfer Subsidiary Shin Kasado Dockyard's Stocks and Related Fixed Assets**

TOKYO, March 31, 2005 — At a shareholders' meeting held today, Ube Industries, Ltd. decided to transfer shares of its subsidiary, Shin Kasado Dockyard Co., Ltd., as well as the related fixed assets that Ube Industries had loaned to Imabari Shipbuilding Group, as described below.

### **1. Reason for Transfer**

Ube Industries has a 100% equity stake in its subsidiary, Shin Kasado Dockyard, established in 1998. Making use of the prime site on Kasadoshima, Kudamatsu City, Yamaguchi Prefecture, the company repairs and renovates ships.

Imabari Shipbuilding Co., Ltd., is a world-class shipbuilder that ranks top in Japan and boasts a high share in the new shipbuilding market.

Ube Industries will transfer shares of Shin Kasado Dockyard Co., Ltd., as well as the related fixed assets that Ube Industries had loaned to Imabari Shipbuilding Group. However, acquiring capital participation in Imabari Shipbuilding will allow Shin Kasado Dockyard to further pursue production, sales and technical synergies with Imabari Shipbuilding. This will allow Shin Kasado Dockyard to provide its customers with an even higher quality of service.

### **2. Overview of Affiliate (Shin Kasado Dockyard Co., Ltd.) to Be Transferred**

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|--|---|
| (1) Company name:  | Shin Kasado Dockyard Co., Ltd.                      |
| (2) President:   | Takayuki Kobayashi                                  |
| (3) Location:  | 29-120 Kasadoshima, Kudamatsu, Yamaguchi Prefecture |
| (4) Established:   | February 5, 1988                                    |
| (5) Main business:   | Repair and renovation of marine vessels             |
| (6) Annual revenue:  | 5.1 billion yen (in fiscal year ended March 2004)   |
| (7) Fiscal year-end:                                       | March 31  |
| (8) Number of employees:                                   | 140   |
| (9) Primary office:  | Main factory (Kudamatsu, Yamaguchi)                 |
| (10) Capital:  | 300 million yen                                     |
| (11) Total shares outstanding:                             | 6,000 shares  |
| (12) Major shareholder composition and ratio of ownership: | Ube Industries, Ltd. 100%                           |

### **3. Company to Which Shares and Fixed Assets Will Be Transferred**

- |                                       |   |
|---------------------------------------|---|
| (1) Company name:                     | Imabari Shipbuilding Co., Ltd.                    |
| (2) President:                        | Eiji Higaki                                       |
| (3) Location of headquarters:         | 1-4-52, Koura-cho, Imabari City, Ehime Prefecture |
| (4) Capital:                          | 978 million yen                                   |
| (5) Primary business:                 | Building and servicing of various ships           |
| (6) Relationship with Ube Industries: | None  |

#### **4. Shares and Fixed Assets to Be Transferred**

##### (1) Shares to Be Transferred

All shares issued by Shin Kasado Dockyard and held by Ube Industries (6,000 shares) will be transferred to Imabari Shipbuilding Co., Ltd.

##### (2) Fixed Assets to Be Transferred

Assets and Location	Book Value	Transfer Value	Current Status
Land (land area: 290,962 m <sup>2</sup> ) Buildings (total floor area: 6,906m <sup>2</sup> ) (Location: Kasadoshima, Kudamatsu City, Yamaguchi Prefecture)	2.78billion yen	1.25billion yen	Majority was on loan to Shin Kasado Dockyard

#### **5. Schedule**

March 31, 2005: Board of directors decides on transfer, conclusion of transfer agreement

April 20, 2005: Transfer of stock certificates and fixed assets (Planned)

#### **6. Future Outlook**

The transfer of these fixed assets will result in extraordinary loss (1.53billion yen), but there will be no change in the results forecasts for the year ending March 2005 (April 1, 2004 – March 31, 2005), which were published on March 22, 2005.