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Company name: Ube Industries, Ltd.
Security code: 4208 (shares listed on First Section of
Tokyo Stock Exchange and Fukuoka
Stock Exchange)
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Ube Industries Records Extraordinary Loss

Ube Industries has announced that it will record an extraordinary loss during the first half of the fiscal year ending March 31, 2007. The details of the extraordinary loss are described below.

1. Details of Extraordinary Loss

Ube Automotive North America Sarnia Plant, Inc. is a Canadian subsidiary of Ube Industries that manufactures aluminum wheels for the North American market. The subsidiary continues to experience sluggish business results due to a number of factors including the struggling performance of the US Big Three automakers that are its major customers. The situation is also affected by a tough business environment including intensifying competition in the aluminum wheel business, as well as the strength of the Canadian dollar.

The North American aluminum wheel subsidiary is currently endeavoring to achieve a quick turnaround by implementing fundamental improvements to productivity. Initiatives include an effort to further drive down costs by adopting in-house painting of aluminum wheels. However, the strategy to improve the revenue situation at the North American aluminum wheel subsidiary has yet to produce adequate results at the current time. Based on the present situation, Ube Industries has made the decision to record a loss on business restructuring in the subsidiary amounting to 3.1 billion yen during the first half of the fiscal year ending March 31, 2007. The amount is based on current estimates of the expected future charge-off relating to the subsidiary.

2. Impact on Business Results

The impact of the extraordinary loss on the business results of Ube Industries is detailed in a separate Revised Earnings Forecast, which was also released today.