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Ube Industries Announces Extraordinary Loss from Impairment Loss Recorded by Consolidated Subsidiary

TOKYO, April 28, 2008 — Ube Industries, Ltd. today announced that its consolidated subsidiary, Ube Automotive North America Sarnia Plant, Inc. (UANA Sarnia) of Ontario, Canada, has decided to record an impairment loss for the fiscal year ended December 31, 2007. Based on the decision by UANA Sarnia, Ube Industries will record an extraordinary loss for the fiscal year ended March 31, 2008. The details of the extraordinary loss are described below.

1. Details of Extraordinary Loss

UANA Sarnia is a subsidiary of Ube Industries that manufactures aluminum wheels for the North American market. The subsidiary began to record sluggish sales starting from the second half of the fiscal year ended December 31, 2006. Due to the time needed to achieve a turnaround, UANA Sarnia decided to record an extraordinary loss of ¥5.1 billion from an impairment loss on fixed assets for the same fiscal year. UANA Sarnia also implemented financial measures by repaying debt through an injection of capital. In addition, the subsidiary sought to raise the proportion of sales to Japanese automakers and achieve a turnaround by driving down costs through initiatives such as switching to in-house painting of aluminum wheels and by improving production yields.

However, starting from the second half of the 2007 calendar year, the Canadian dollar began to gain even further ground against the U.S. dollar, rising sharply in valuation. Due to the possibility that UANA Sarnia's profitability could further decline if the valuation of the Canadian dollar continues to rise in the future, the subsidiary has decided to record a further extraordinary loss of ¥2.7 billion from an impairment loss on fixed assets for the fiscal year ended December 31, 2007. UANA Sarnia will endeavor to further improve yields and decrease costs as part of a continued effort to achieve a quick turnaround by returning to profitability.

Based on the loss on impairment of fixed assets recorded by UANA Sarnia, Ube Industries will record an impairment loss of ¥2.7 billion as an extraordinary loss against its consolidated business and financial results, and a loss of ¥5.1 billion on valuation of its shares as an extraordinary loss against its non-consolidated business and financial results.

2. Impact on Business Results of Ube Industries

Ube Industries is currently in the process of preparing its business and financial results for the fiscal year ended March 31, 2008. The company has decided not to revise its full-year consolidated and non-consolidated earnings forecast for the fiscal year ended March 31, 2008, previously announced on November 2, 2007. The decision is based on a number of factors including anticipation of steady business results. In addition, Ube Industries expects to record a gain on contribution of a part of company-held investment securities to retirement benefit trust for the purpose of improving finances for retirement benefits in the fiscal year ended March 31, 2008.