



March 14, 2011

Company name: Ube Industries, Ltd.
Security code: 4208 (shares listed on First Section of
Tokyo Stock Exchange and Fukuoka
Stock Exchange)
URL: <http://www.ube.co.jp/>
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Ube Industries Announces an Extraordinary Loss Relating to Withdrawal from Aluminum Wheel Business

TOKYO, March 14, 2011—Ube Industries, Ltd. today announced that it decided to withdraw from the aluminum wheel business and dissolve its consolidated subsidiary Ube Aluminum Wheels Ltd. (UKW) at a meeting of its Board of Directors held today. As a result of these decisions, the company will record an extraordinary loss for fiscal 2010, the fiscal year ending March 31, 2011. Brief details follow.

1. Reasons for Business Withdrawal

Ube Industries first entered the aluminum wheel business in 1987 and has continued to engage in the manufacture and sale of OEM aluminum wheels for automobiles. Amid a dramatically changing automotive market environment, the company separated and transferred the aluminum wheel business to the newly established subsidiary UKW. In the ensuing period, UKW has worked diligently to increase productivity, reduce costs by developing new manufacturing methods and put forward proposals aimed at producing lighter weight products by making the most of its unique technological capabilities, making every effort to improve profitability.

However, the aluminum wheel business has continued to incur losses since its corporate separation. This is largely attributable to the substantial decline in demand for large-diameter aluminum wheels, which UKW specializes in producing, reflecting the recent market shift to eco-cars, intense price competition as manufacturers from developing countries continue to enter the market and the weaker cost-competitiveness of production in Japan due to ongoing appreciation in the value of the yen.

Ube Industries has carefully examined UKW's aluminum wheel activities in the context of the Group's overall business and plans, taking into consideration every possible perspective. While ascertaining the status and progress of UKW's technological self-improvement efforts, Ube Industries has also assessed the potential of the business as a going concern. Based on these deliberations, the company has determined that dissolving UKW and withdrawing from the aluminum wheel business are the best course of action.

After consulting with UKW customers, UKW will continue to meet its existing order obligations for a fixed period of time following this decision to dissolve the firm. UKW employees will then be reassigned to other positions throughout the Ube Group.

2. Profile of the Subsidiary to Be Dissolved

Company name: Ube Aluminum Wheels Ltd.
Address: 1978-96, Kogushi, Ube, Yamaguchi Prefecture
Representative: Takeshi Mihara, President and Representative Director
Business activities: Manufacture, purchase and sale of aluminum wheels and lightweight metal molded components
Capital: ¥490 million
Date established: July 2009
Shareholder: Ube Industries, Ltd. 100.00%
Recent net sales: ¥9,143 million (Fiscal year ended March 31, 2010)

3. Schedule for the Dissolution (Subject to Change)

March 31, 2011	Date of dissolution
Period after March 31, 2011	Conclude liquidation after a fixed period of continued production

4. Details of Extraordinary Loss

Based on the aforementioned dissolution, Ube Industries will record an extraordinary loss of ¥9.1 billion against its consolidated business and financial results for the fiscal year ending March 31, 2011. Included in this extraordinary loss are expenses related to liquidation, loss on devaluation of fixed assets and projected operating losses to continue operations for a fixed period of time following the decision to dissolve the firm in order to clear the backlog of existing orders.

In addition, Ube Industries will record an extraordinary loss of ¥10.8 billion against its non-consolidated business and financial results for the loss on devaluation of its shares and an increase in its allowance for losses reflecting an estimate for any net capital deficiency.

5. Impact on Ube Industries, Ltd.

The impact of the above extraordinary loss on the business results of Ube Industries, Ltd. for the fiscal year ending March 31, 2011 has already been incorporated into the earnings forecast released separately today.