

***Information Meeting 2005***

***November, 2005***

***UBE INDUSTRIES, LTD.***

# Contents

- 1. Summary .... P. 3**
- 2. FY05 First Half Consolidated Results  
..... P.11**
- 3. FY05 Consolidated Forecasts .... P.24**
- 4. Comparison of Current and  
Previous Forecasts .... P.34**
- 5. Appendix – Company Profile – .... P.40**

# Summary

## FY2005 First Half Consolidated Results Highlights

### [Income] Year-on-Year Revenue Growth and Substantial Earnings Growth

**Operating Income : 17.4 billion yen (63% ↑)**

<p>Chemicals &amp; Plastics .....</p> <p>Specialty Chemicals &amp; Products .....</p> <p>Cement &amp; Construction Materials .....</p> <p>Machinery &amp; Metal Products .....</p>	<p>Raw Material Prices: Stable at High Levels ⇔ Improvement in margin (between product prices and raw materials)</p> <p>Specialty products: Affected by a adjustment in digital-related product demand (which is now recovering, as expected)</p> <p>Impact of sharply higher fuel prices ⇔ Increase in waste processing, increasing domestic cement demand</p> <p>Restructuring of North American aluminum wheel operations, sales growth in die-casting machines and steel making products</p>	
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### [Interest-bearing Debt]

**374.1 billion yen ( Δ23.8 billion yen YoY) ← Increased earnings, draw-down of cash and deposits**

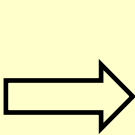
**(Net interest-bearing debt: 352.8 billion yen, Δ11.7billion yen YoY)**

**[Stockholders' Equity] 114.0 billion yen (+5.7 billion yen YoY)**

## Present Status and Outlook for Major Businesses (1)

### 1. Chemicals & Plastics

**Confident to maintain margins ⇒ Impact of sharply higher raw material and fuel prices such as Naphtha, etc. ⇔ Transfer to selling prices**

- **Synthetic Rubber :** Expanding specialty rubber demand in Asia for tires  
 ⇒ Favorable supply-demand balance for the foreseeable future  
 Further stabilization of profitability by increasing production ratio of specialty grades. Capacity expansion under study.
  
  - **Caprolactam :** Relatively stable market medium-term  
 ⇒ Maintenance of relatively high margins  
 Caprolactam pricing pressures, sharply rising auxiliary material and fuel prices  
 ..... Earnings pressure factors
- 
  - Quick transfer to selling prices  
 (monthly pricing adjustment format already introduced)
  - Business stabilization through increased internal consumption rate  
 ⇒ Full-fledged nylon resin production capacity under study
- 
- **Nylon Resin:** Margin improvement  
 Expanded sales of new Nylon-12 Polyamide elastomers and others  
 Internal production of compounds ⇒ Further cost reductions  
 Strengthened and expanded supply and service capabilities  
 ⇒ Seriously under study for domestic and overseas markets
  
  - **Industrial Chemicals:** Speeding up transfer to selling prices

## Present Status and Outlook for Major Businesses (2)

### 2. Specialty Chemicals & Products

#### Return to Growth Path

- **Specialty Products** : As expected, full-fledged recovery in the second half
  - ◎ **Polyimides** ..... 30% increase in production capacity underway  
 (8<sup>th</sup> facility to be completed next August)  
 9<sup>th</sup> facility already under study  
**TAB/COF Use: Progress in COF conversion**  
 Already started for usage in large LCDs  
 ⇒ Working to establish de facto standard  
**TAB-use remains firm due to strong PDP-use**
  - Flexible copper-clad laminate(CCL)** :  
 Capacity expansion ⇒ Sales expansion of double-sided boards
  - ◎ **Battery materials** ..... Capacity expansion as needed.  
 Working to expand battery materials related businesses  
 Volume recovery prominent (particularly for separators to China)  
 Pricing pressures ⇒ Coping with additional electrolyte  
 functionality, increased separator sales and  
 cost reductions
  
- **Fine Chemicals** : Strong demand ⇒ Existing businesses : profit maximization through capacity increase  
 C1 Chemicals (DMC,PCD, etc.) : Expand & strengthen
  
- **Pharmaceutical Bulk Compounds and Intermediates** :  
 Allergy treatments  
 Anti-hypertensive agents ⇒ both favorable  
 New pharmaceutical consignment manufacturing
 

}	⇒	Steady progress in creating Base for next leap forward (CS747)
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## Present Status and Outlook for Major Businesses (3)

### 3. Cement & Construction

- **Cement** : Annual domestic demand flat year-on-year (increasing private sector demand, natural disaster recovery demand), increased introduction of waste materials  
 Fuel(Coal·Heavy Oil)prices at high levels, price adjustments underway  
 This fiscal year : Maintenance of flat operating profits  
 Next fiscal year onward : Shrinking domestic demand, while lower coal prices  
 ⇒ Base for continued earnings stability

### 4. Machinery & Metal Products

- **Machinery** : Automobile-use die-casting machines·Steelmaking products  
 ⇒ Continued strength in the second half
- **Aluminum wheels** : Japan .....Volume declines, stronger demands from customers for cost reductions  
 Canada..... Improved productivity, lower fixed costs, volume growth  
 ⇒ Focus on getting into the black  
 U.S. .... Production discontinued from October 2005  
 Additional special losses (interim) of ¥2.6 bn  
 Strong demand ⇔ Intensified competition ..... Restructuring through process improvements, and thorough cost cut.

Existing product volume growth ⇒ extended operating period, Production shift to Canada

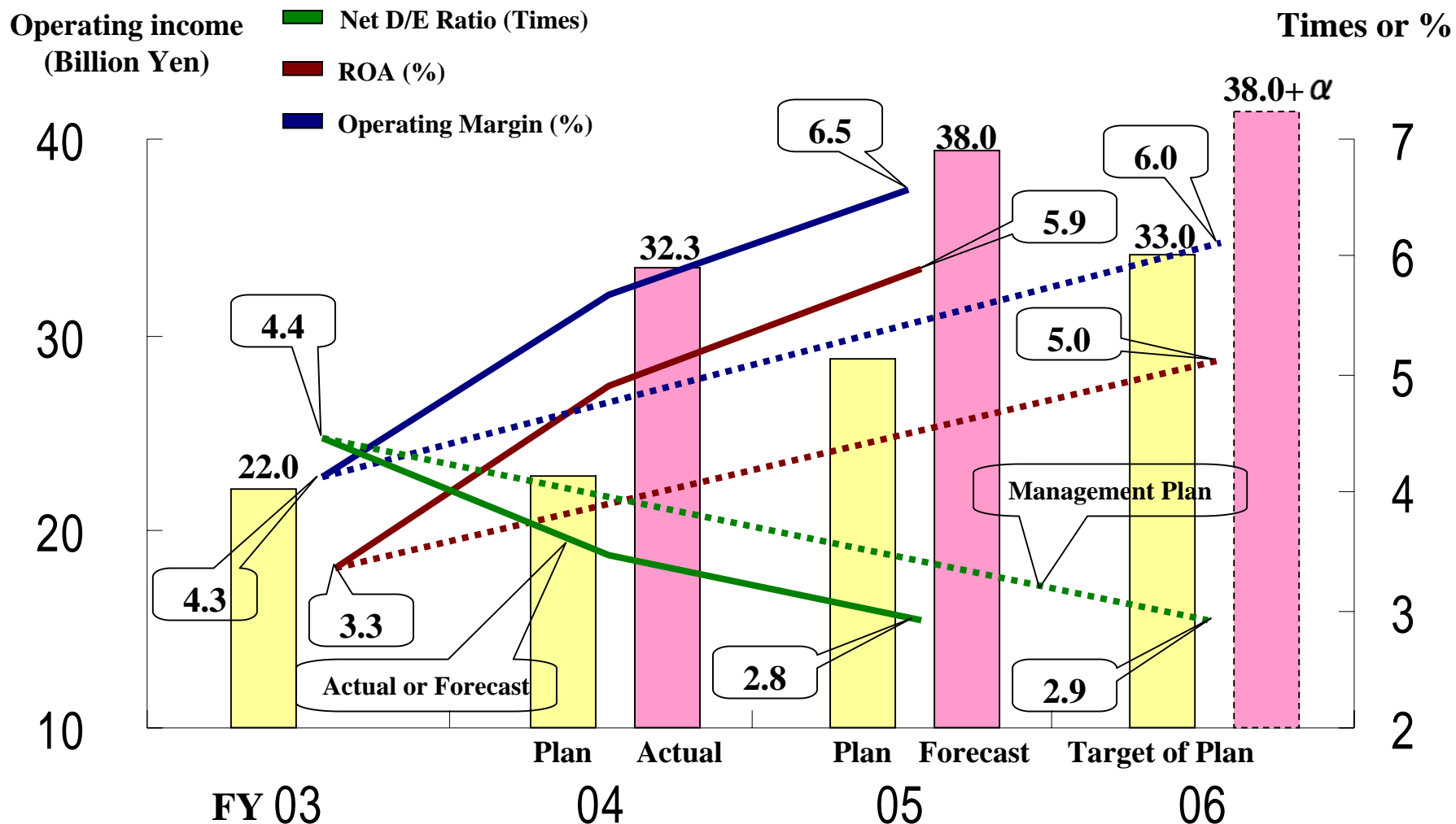
### 5. Energy & Environment

- **Coal** : Easing of tight supply-demand condition
- **Electric Power** : Introduction of woody biomass fuel in IPP (from FY2006), business strengthening and environmental contribution





# Progress of New Mid-term Management Plan



## Strategies for FY2006 Onward

### FY2006 Plan

Based on FY2005 forecast, to raise the bar and **establish an appropriate bridge for the next medium-term management plan targets.**

### Next Medium-Term Management Plan

As a three-year plan beginning in FY2007, the basic approach for the plan which will be created within FY2006 is...

- **Further improvement in financial structure (net D/E ratio in the 1X range)**
- **Based on the business portfolio that is currently under review,**  
**Fundamental businesses: Further stabilize earnings**  
**Strategic businesses: Further strengthen investments already**  
**made to ensure appropriate returns, to**  
**carefully select new investments and to**  
**invest offensively**

***→ To ensure consistent growth***  
***through an appropriate balancing of both***

**FY05 First Half  
Consolidated Results**

# Scope of Consolidation

## -FY05 First Half Consolidated Results-

	FY04 1st Half <b>(A)</b>	FY03 1st Half	FY04 <b>(B)</b>	Variance <b>(A)-(B)</b>	Notes
Number of consolidated subsidiaries	<b>69</b>	<b>72</b>	<b>70</b>	<b>1</b>	Merged 1
Number of equity method affiliates	<b>36</b>	<b>38</b>	<b>36</b>	<b>-</b>	
Total	<b>105</b>	<b>110</b>	<b>106</b>	<b>1</b>	

# Environmental Factors

## -FY05 First Half Consolidated Results-

(Billion Yen)

Item		FY05 1st Half	FY04 1st Half	Variance	Impacts on Consolidated OP Income	
Exchange Rate		Yen/\$	109.5	109.9	0.4	0.0
Material Price	(CIF) Naphtha (Domestic)	\$/t	475	372	103	1.4
		Yen/L	38.0	30.3	7.7	( 1.4)
	Benzene (Average of US and Euro Contract Price)	\$/t	899	766	133	2.7 ( 2.4)
	Australian Coal (CIF)	\$/t	76.5	69.5	7.0	0.9
		Yen/t	8,377	7,638	739	( 0.9)

( ) : including impacts on fluctuation of exchange rate

## Major P/L Items

-FY05 First Half Consolidated Results-

(Billion Yen)

Item	FY05 1st Half	FY04 1st Half	Variance
Sales	280.7	272.3	* 8.4
Operating income	17.4	10.6	** 6.7
Ordinary income	14.3	5.1	9.1
Net income	6.0	2.3	3.6

\* Including impacts on transfer of PE business ( $\Delta$  10.7), accounting change of resource recycling business (4.8), transfer of ship repair business ( $\Delta$  2.7), and dissolution of aluminum wheel subsidiary in US ( $\Delta$  4.7).

\*\* Including impacts on transfer of PE business ( $\Delta$  0.7), transfer of ship repair business ( $\Delta$  0.1), and dissolution of aluminum wheel subsidiary in US (1.4).

## Major B/S Items

-FY05 First Half Consolidated Results-

15

(Billion Yen)

Item	End of FY05 1st Half	End of FY04	Variance
Total assets	689.0	706.6	17.6
Debt	374.1	397.9	23.8
Net debt *	352.8	364.5	11.7
Stockholders' equity	114.0	108.3	5.7

\*Net debt : Debt - Cash and cash equivalents

# Sales by Segment

## -FY05 First Half Consolidated Results-

(Billion Yen)

Segment	FY05 1st Half	FY04 1st Half	Variance	Major Factors
Chemicals & Plastics	<b>83.2</b>	<b>79.3</b>	<b>3.8</b>	Caprolactam chain 10.3 Synthetic rubber 3.3 Change in consolidation (PE) 10.7
Specialty Chemicals & Products	<b>42.7</b>	<b>41.6</b>	<b>1.0</b>	Pharmaceuticals 0.8 Specialty products 0.6 Others 0.9
Cement & Construction Materials	<b>93.0</b>	<b>85.5</b>	<b>7.5</b>	Resource rycycling business 4.8 Quick lime related products 1.2 Cement and concrete 0.9
Machinery & Metal Products	<b>45.4</b>	<b>51.2</b>	<b>5.8</b>	Aluminum wheels 3.8 Machinery 2.0
Energy & Environment	<b>14.4</b>	<b>12.5</b>	<b>1.8</b>	Coal 1.2
Others	<b>1.8</b>	<b>1.8</b>	<b>0.0</b>	
<b>Total</b>	<b>280.7</b>	<b>272.3</b>	<b>8.4</b>	Increased by 3.1%



## Operating Income by Segment -FY05 First Half Consolidated Results-

(Billion Yen)

Segment	FY05 1st Half	FY04 1st Half	Variance	Major Factors
Chemicals & Plastics	6.3	1.9	4.4	Caprolactam chain 3.8 Synthetic rubber 1.5 Change in consolidation (PE) 0.7
Specialty Chemicals & Products	4.7	5.5	0.7	Pharmaceuticals 0.6 Specialty products 1.0, Others 0.3
Cement & Construction Materials	3.9	3.4	0.5	Cement and Concrete, etc 0.5
Machinery & Metal Products	1.3	1.3	2.6	Aluminum wheels 1.7 Machinery 0.9
Energy & Environment	0.9	1.0	0.0	
Others	0.2	0.2	0.0	
<b>Total</b>	<b>17.4</b>	<b>10.6</b>	<b>6.7</b>	Increased by 63.1%

## Analysis of Operating Income -FY05 First Half Consolidated Results-

(Billion Yen)

Segment	Operating income			Breakdown of Variances				
	FY05 1st Half <b>A</b>	FY04 1st Half <b>B</b>	Variance <b>A-B</b>	Price <sup>*</sup>	Sales Amount	Fixed Cost	Others	Total
Chemicals & Plastics	6.3	1.9	4.4	8.0	0.4	1.2	2.0	4.4
Specialty Chemicals & Products	4.7	5.5	0.7	0.0	0.9	1.4	0.3	0.7
Cement & Construction Materials	3.9	3.4	0.5	1.0	0.6	1.1	0.0	0.5
Machinery & Metal Products	1.3	1.3	2.6	0.3	0.4	0.2	2.7	2.6
Energy & Environment	0.9	1.0	0.0	0.4	0.6	0.3	0.2	0.0
Others	0.2	0.2	0.0	0.0	0.1	0.1	0.0	0.0
<b>Total</b>	<b>17.4</b>	<b>10.6</b>	<b>6.7</b>	<b>9.1</b>	<b>1.0</b>	<b>3.6</b>	<b>0.2</b>	<b>6.7</b>

Including inventory valuation loss  $\Delta 1.2$

\* Including both selling and purchase price variances

## Operating Income – Net Income -FY05 First Half Consolidated Results-

(Billion Yen)

Item	FY05 1st Half	FY04 1st Half	Variance
Operating income	17.4	10.6	6.7
Non operating item	3.0	5.5	2.4
Ordinary income	14.3	5.1	9.1
Extraordinary item	4.6	0.5	4.0
Income before income tax and minority interest	9.7	4.5	5.1
Net income	6.0	2.3	3.6

## Ordinary Income

### -FY05 First Half Consolidated Results-

(Billion Yen)

Item		FY05 1st Half	FY04 1st Half	Variance
<b>Operating income</b>		<b>17.4</b>	<b>10.6</b>	<b>6.7</b>
<b>Non operating item</b>	Net interest expense	<b>2.4</b>	<b>3.5</b>	<b>1.1</b>
	Equity in profit of unconsolidated subsidiaries and affiliated companies	<b>0.4</b>	<b>0.0</b>	<b>0.5</b>
	Foreign currency translation profit	<b>1.1</b>	<b>0.3</b>	<b>0.8</b>
	Others	<b>0.0</b>	<b>1.5</b>	<b>1.5</b>
	<b>Total</b>	<b>3.0</b>	<b>5.5</b>	<b>2.4</b>
<b>Ordinary income</b>		<b>14.3</b>	<b>5.1</b>	<b>9.1</b>

## Extraordinary Item

### -FY05 First Half Consolidated Results-

(Billion Yen)

Item	FY05 1st Half	FY04 1st Half	Variance
Gain on sale of PP&E	0.1	0.3	0.1
Gain on sale of investment securities	0.0	0.1	0.1
Others	0.2	0.2	0.0
<b>Extraordinary income</b>	<b>0.3</b>	<b>0.7</b>	<b>0.4</b>
Loss on business restructuring	2.8	0.0	2.8
Provision for doubtful receivables	0.5	0.1	0.3
Loss on disposal of PP&E	0.3	0.5	0.1
Loss on sale of investment securities	0.3	0.2	0.1
Others	0.9	0.4	0.4
<b>Extraordinary loss</b>	<b>5.0</b>	<b>1.3</b>	<b>3.6</b>
<b>Net extraordinary loss</b>	<b>4.6</b>	<b>0.5</b>	<b>4.0</b>

## Consolidated Balance Sheet

### -FY05 First Half Consolidated Results-

(Billion Yen)

Item	End of FY05 1sr Half	End of FY04	Variance
Current assets	262.1	275.4	13.2
Fixed assets	426.8	431.2	4.4
<b>Total assets</b>	<b>689.0</b>	<b>706.6</b>	<b>17.6</b>
Interest-bearing debts	374.1	397.9	23.8
Other liabilities	183.1	182.6	0.4
<b>Total liabilities</b>	<b>557.2</b>	<b>580.6</b>	<b>23.3</b>
Minority interest	17.6	17.6	0.0
Stockholders' equity	114.0	108.3	5.7
<b>Total liabilities and stockholders' equity</b>	<b>689.0</b>	<b>706.6</b>	<b>17.6</b>

## Consolidated Statements of Cash Flows

### -FY05 First Half Consolidated Results-

(Billion Yen)

Item	FY05 1st Half		FY04 1st Half
<b>A. Cash flows from operating activities</b>	25.4	Income before tax and minority interest 9.7 Depreciation 15.0	14.3
<b>B. Cash flows from investing activities</b>	10.1	Acquisition of PP&E 14.0 Proceeds from PP&E 3.1	17.3
<b>Free cash flows (A+B)</b>	15.2		2.9
<b>C. Cash flows from financing activities</b>	27.6	Decrease in interest-bearing debts 25.8	11.9
<b>D. Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	12.1		8.9
<b>E. Cash and cash equivalents at end of the year</b>	21.3		37.5

# **FY05 Consolidated Forecasts**



# Scope of Consolidation

-FY05 Consolidated Forecasts-

	<b>FY05 (A)</b>	<b>FY04 (B)</b>	<b>Variance (A)-(B)</b>	<b>Notes</b>
<b>Number of consolidated subsidiaries</b>	<b>67</b>	<b>70</b>	<b>3</b>	Merged 2 Excluded 1
<b>Number of equity method affiliates</b>	<b>35</b>	<b>36</b>	<b>1</b>	Excluded 1
<b>Total</b>	<b>102</b>	<b>106</b>	<b>4</b>	

# Environmental Factors

## -FY05 Consolidated Forecasts-

(Billion Yen)

Item		FY05 Forecast	FY04 Actual	Variance	Impacts on Consolidated OP Income
Exchange Rate		Yen/\$ <b>109.7</b> [110.0]	<b>107.6</b>	<b>2.1</b>	<b>0.1</b>
Material Price	(CIF) Naphtha (Domestic)	\$/t <b>528</b> [580]	<b>404</b>	<b>124</b>	<b>3.3</b>
		Yen/L <b>42.2</b> [46.3]	<b>32.1</b>	<b>10.1</b>	<b>( 3.7)</b>
	Benzene (Average of US and Euro Contract Price)	\$/t <b>893</b> [886]	<b>903</b>	<b>10</b>	<b>0.7</b> <b>(0.3)</b>
	Australian Coal (CIF)	\$/t <b>76.5</b> [76.5]	<b>68.5</b>	<b>8.0</b>	<b>2.0</b>
Yen/t <b>8,392</b> [8,415]		<b>7,371</b>	<b>1,021</b>	<b>( 2.3)</b>	

[ ]:figures of second half

( ) : including impacts on fluctuation of exchange rate

## Major P/L Items

-FY05 Consolidated Forecasts-

27

(Billion Yen)

Item	FY05 Forecast	FY04 Actual	Variance
Sales	586.0	562.7	* 23.3
Operating income	38.0	32.3	** 5.7
Ordinary income	29.0	23.6	5.4
Net income	14.0	9.2	4.8

\* Including impacts on transfer of PE business (  $\Delta$ 10.7), accounting change of resource recycling business (10.9), transfer of ship repair business (  $\Delta$ 5.4), and dissolution of aluminum wheel subsidiary in US (  $\Delta$ 6.8).

\*\* Including impacts on transfer of PE business (  $\Delta$ 0.7), transfer of ship repair business (  $\Delta$ 0.2), and dissolution of aluminum wheel subsidiary in US (3.3).

**FY05 : Increased dividend by ¥1/share to ¥3/share**

## Major B/S Items

-FY05 Consolidated Forecasts-

(Billion Yen)

Item	End of FY05 Forecast	End of FY04 Actual	Variance
Total assets	690.0	706.6	16.6
Debt	365.0	397.9	32.9
Net debt *	340.0	364.5	24.5
Stockholders' equity	120.0	108.3	11.7

\*Net debt : Debt - Cash and cash equivalents

# Sales by Segment

## -FY05 Consolidated Forecasts-

(Billion Yen)

Segment	FY05 Forecast	FY04 Actual	Variance	Major Factors
Chemicals & Plastics	175.5	164.9	10.6	Caprolactam chain 13.7 Synthetic rubber 6.2 Change in consolidation (PE) 10.7
Specialty Chemicals & Products	89.0	83.0	6.0	Specialty products etc 3.5 Others 2.6
Cement & Construction Materials	189.5	175.7	13.8	Resource rycycling business 10.9 Quick lime related products 3.6
Machinery & Metal Products	99.0	109.7	10.7	Machinery 6.0 Aluminum wheels 4.8
Energy & Environment	29.5	25.4	4.1	Coal 3.5
Others	3.5	3.6	0.1	
<b>Total</b>	<b>586.0</b>	<b>562.7</b>	<b>23.3</b>	Increased by 4.1%

## Operating Income by Segment -FY05 Consolidated Forecasts-

(Billion Yen)

Segment	FY05 Forecast	FY04 Actual	Variance	Major Factors
Chemicals & Plastics	<b>12.9</b>	<b>10.8</b>	<b>2.1</b>	Caprolactam chain 2.7 Synthetic rubber 0.4 Change in consolidation (PE) 0.7
Specialty Chemicals & Products	<b>10.1</b>	<b>10.6</b>	<b>0.5</b>	Specialty products 0.1 Others 0.4
Cement & Construction Materials	<b>9.5</b>	<b>9.6</b>	<b>0.1</b>	Cement and concrete, etc 0.1
Machinery & Metal Products	<b>3.0</b>	<b>1.7</b>	<b>4.7</b>	Aluminum wheels 3.8 Machinery 0.9
Energy & Environment	<b>2.0</b>	<b>2.3</b>	<b>0.3</b>	Coal 0.2
Others	<b>0.5</b>	<b>0.6</b>	<b>0.1</b>	
<b>Total</b>	<b>38.0</b>	<b>32.3</b>	<b>5.7</b>	Increased by 17.6%

## Analysis of Operating Income -FY05 Consolidated Forecasts-

(Billion Yen)

Segment	Operating income			Breakdown of Variances				
	FY05 Forecast <b>A</b>	FY04 Actual <b>B</b>	Variance <b>A-B</b>	Price <sup>*</sup>	Sales Amount	Fixed Cost	Others	Total
Chemicals & Plastics	12.9	10.8	2.1	7.8	0.1	1.5	4.3	2.1
Specialty Chemicals & Products	10.1	10.6	0.5	1.5	4.0	2.0	1.0	0.5
Cement & Construction Materials	9.5	9.6	0.1	0.6	1.2	1.1	0.9	0.1
Machinery & Metal Products	3.0	1.7	4.7	0.0	0.3	0.7	5.1	4.7
Energy & Environment	2.0	2.3	0.3	0.3	0.8	0.2	0.1	0.3
Others	0.5	0.6	0.1	0.0	0.1	0.1	0.2	0.1
<b>Total</b>	<b>38.0</b>	<b>32.3</b>	<b>5.7</b>	<b>7.2</b>	<b>5.0</b>	<b>5.2</b>	<b>1.3</b>	<b>5.7</b>

Including inventory valuation loss 3.2

<sup>\*</sup> Including both selling and purchase price variances

## Operating Income – Net Income -FY05 Consolidated Forecasts-

(Billion Yen)

<b>Operating income</b>	38.0	32.3	5.7
Net interest expense	6.7	7.5	0.8
Equity in profit of unconsolidated subsidiaries and affiliated companies	1.6	1.2	0.4
Foreign currency translation profit	1.2	0.9	2.1
Others	2.7	3.2	0.5
<b>Non operating item</b>	9.0	8.6	0.4
<b>Ordinary income</b>	29.0	23.6	5.4
<b>Extraordinary item</b>	5.5	12.8	7.3
<b>Income before tax and minority interest</b>	23.5	10.7	12.8
<b>Tax and minority interest</b>	9.5	1.5	8.0
<b>Net income</b>	14.0	9.2	4.8



## Key Financial Ratio

### -FY05 Consolidated Forecasts-

Item	Unit	FY05 Forecasts	FY04 Results	Variance	FY06 Target of Plan
Net D/E Ratio*1	Times	2.8	3.4	0.6	2.9
Return on Assets (ROA)*2	%	5.9	4.9	1.0	5.0
Operating Margin	%	6.5	5.7	0.8	6.0

\*1 Net debt (Debt – Cash and cash equivalents) / Stockholders' equity

\*2 (Operating income + Interest and dividend income + Equity income of unconsolidated subsidiaries and affiliates) / Total assets

# Comparison of Current and Previous Forecasts

*Notes : Current Forecasts : Revised forecasts released on October 17, 2005*

*Previous Forecasts : Original forecasts released on May 13, 2005*

# Environmental Factors

-Comparison of Current and Previous Forecasts-

(Billion Yen)

Item		Current Forecast	Previous Forecast	Variance	Impacts on Consolidated OP Income	
Exchange Rate		Yen/\$	109.7	105.0	4.7	0.3
Material Price	(CIF) Naphtha (Domestic)	\$/t	528	480	48	1.2
		Yen/L	42.2	37.0	5.2	( 1.8)
	Benzene (Average of US and Euro Contract Price)	\$/t	893	1,113	220	9.2 (7.8)
	Australian Coal (CIF)	\$/t	76.5	78.5	2.0	0.4
		Yen/t	8,392	8,243	149	( 0.3)

( ) : including impacts on fluctuation of exchange rate

# Major P/L Items

-Comparison of Current and Previous Forecasts-

(Billion Yen)

Item	Current Forecast	Previous Forecast	Variance
Sales	586.0	582.0	4.0
Operating income	38.0	33.0	5.0
Ordinary income	29.0	24.0	5.0
Net income	14.0	13.0	1.0

**Major B/S Items**  
 -Comparison of Current and Previous Forecasts-

(Billion Yen)

Item	Current Forecast	Previous Forecast	Variance
Total assets	690.0	680.0	10.0
Debt	365.0	365.0	0.0
Net debt *	340.0	340.0	0.0
Stockholders' equity	120.0	119.0	1.0

\*Net debt : Debt - Cash and cash equivalents

# Sales by Segment

-Comparison of Current and Previous Forecasts-

(Billion Yen)

Segment	Current Forecast	Previous Forecast	Variance	Major Factors
Chemicals & Plastics	175.5	178.0	2.5	Synthetic rubber 2.0 Caprolactam chain 4.3
Specialty Chemicals & Products	89.0	88.0	1.0	Pharmaceuticals 0.4 Others 0.6
Cement & Construction Materials	189.5	186.0	3.5	Cement and concrete 2.4 Quick lime related products 0.6
Machinery & Metal Products	99.0	98.0	1.0	Aluminum wheels 1.5 Machinery 0.5
Energy & Environment	29.5	28.0	1.5	Coal 1.5
Others	3.5	4.0	0.5	
<b>Total</b>	<b>586.0</b>	<b>582.0</b>	<b>4.0</b>	Increased by 0.7%

## Operating Income by Segment

-Comparison of Current and Previous Forecasts-

(Billion Yen)

Segment	Current Forecast	Previous Forecast	Variance	Major Factors
Chemicals & Plastics	12.9	10.0	2.9	Caprolactam chain 2.8 Synthetic rubber 0.5
Specialty Chemicals & Products	10.1	10.1	0.0	
Cement & Construction Materials	9.5	8.8	0.7	Cement and concrete 0.4 Quick lime related products 0.3
Machinery & Metal Products	3.0	1.8	1.2	Machinery 1.3 Aluminum wheels 0.3
Energy & Environment	2.0	1.8	0.2	Coal 0.3
Others	0.5	0.5	0.0	
<b>Total</b>	<b>38.0</b>	<b>33.0</b>	<b>5.0</b>	Increased by 15.2%

**Appendix – Company Profile –**



# Business Portfolio of UBE

	Core Business	Fundamental Business
Chemicals & Plastics	<div style="border: 1px solid black; padding: 5px; display: inline-block;">Caprolactam Chain</div> Nylon Resin	Synthetic Rubber <hr style="border-top: 1px dashed black;"/> Caprolactam Industrial Chemicals <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-top: 10px;">Ammonia, etc</div>
	Specialty Chemicals & Products	Fine chemicals & Pharma Specialty Products <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-top: 5px;">Polyimide, Battery Materials, High Purity Chemicals, etc</div>
Cement & Construction Materials	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Die-casting Machines, Injection-molding Machines, Roller Mills, etc</div>	Cement, Construction Materials
Machinery & Metal Products	Aluminum wheel	Machinery
Energy & Environment	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Coals, Electricity</div>	Energy

(Notes) Businesses which formed an alliance or were withdrawn in the past five years: PE, ABS, Fertilizer, APAO, Environment, and Real estate.

## History of UBE

1897 Okinoyama Coal Mines is established as anonymous partnership.

1914 Shinkawa Iron Works is established as anonymous partnership. UBE's machinery business started from the manufacture of machinery for coal mining.

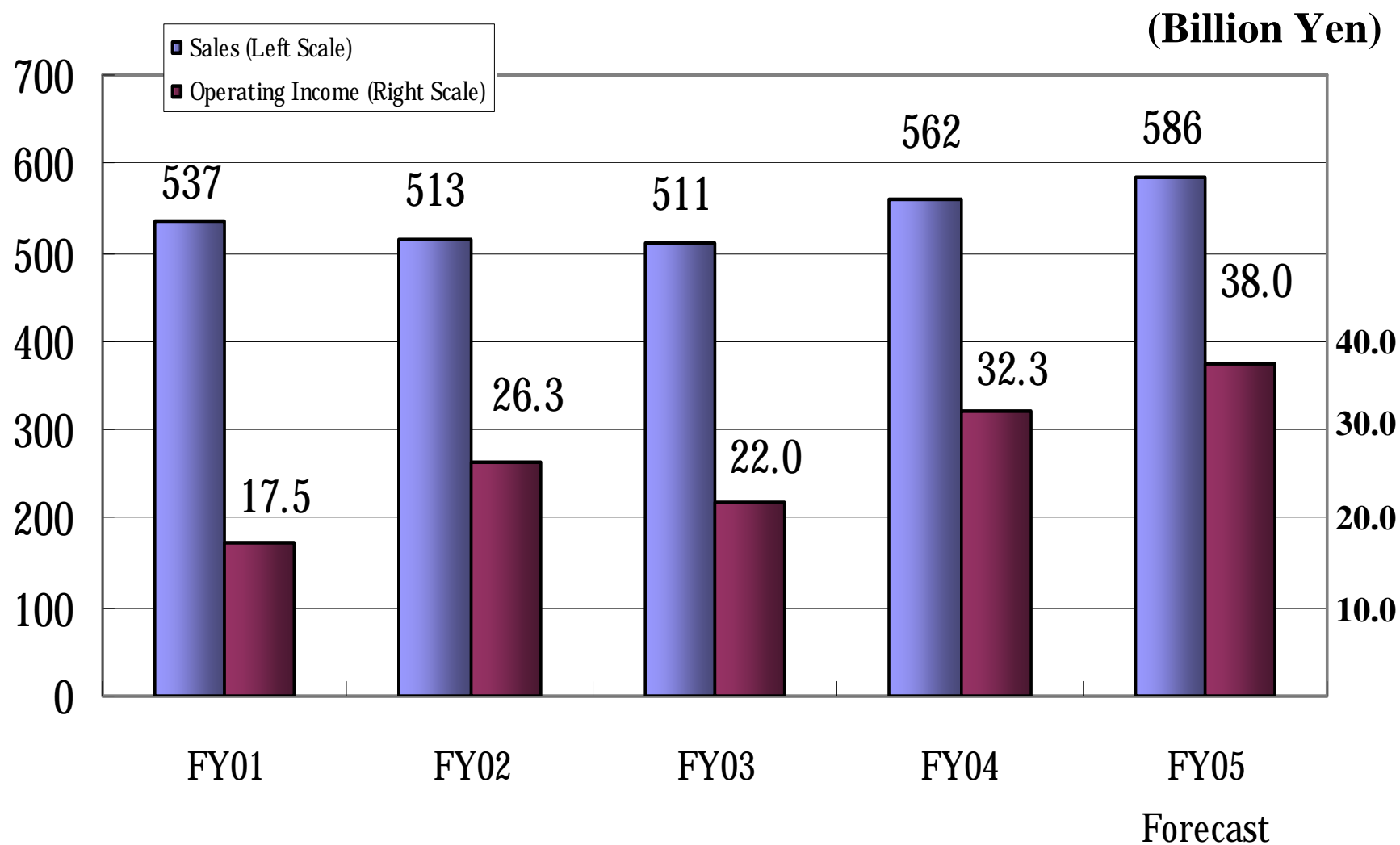
1923 Ube Cement Production, Ltd. is established. We entered the cement business, using coal for fuel and the abundant nearby limestone as raw material.

1933 Ube Nitrogen Industry, Ltd. is established. We expanded into the chemical field of synthesizing ammonia by pyrolysis of coal, used in the manufacture of ammonium sulfate.

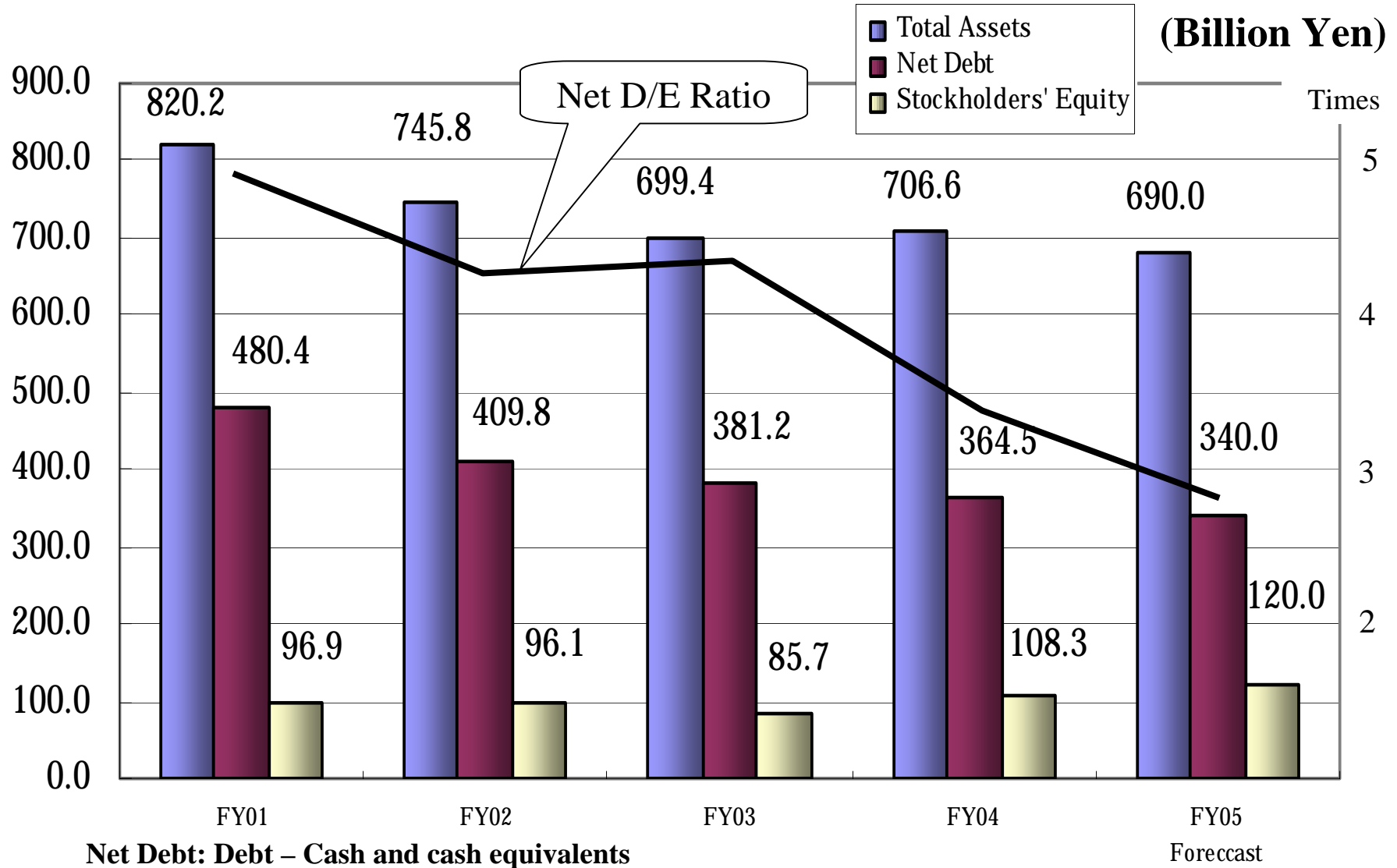
1942 UBE Industries, Ltd. is established through consolidation of the four companies above.

Later UBE entered a wide range of business sectors such as petrochemicals, specialty products and aluminum wheels, establishing the operating divisions that would distinguish it as a comprehensive manufacturer of value-added products. With an extensive base of technologies and expertise built up over more than a century, UBE is taking actions for further innovation and growth.

# Sales and Operating Income



# Total Assets, Net Debt, and Stockholders' Equity





**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.**