

Financial Results for the 1st Quarter FY 2009

August 3, 2009

UBE INDUSTRIES, LTD.

Scope of Consolidation

— Financial Results for the 1st Quarter FY09 —

Item	End of FY08 (A)	End of FY09 1Q (B)	Change (B) - (A)	Notes
Number of consolidated subsidiaries	65	66	+1	Newly Included : 1 Newly Excluded : None
Number of equity method affiliates	27	27	±0	Newly Included : None Newly Excluded : None
Total	92	93	+1	

Major P/L & B/S Items

— Financial Results for the 1st Quarter FY09 —

(Billion Yen)

Item	FY08 1Q (A)	FY09 1Q (B)	Change (B) - (A)
Sales	176.9	120.1	-56.8
Operating income	10.8	-1.2	-12.1
Ordinary income	10.3	-3.4	-13.7
Net income	6.4	-3.2	-9.7
Item	End of FY08 (A)	End of FY09 1Q (B)	Change (B) - (A)
Total assets	677.9	655.5	-22.4
Debt	306.8	303.2	-3.5
Net debt	267.7	271.1	3.4
Equity capital *1	171.9	167.9	-4.0

*1: Equity capital = Net assets - Share subscription rights - Minority interests

Non Operating Items

— Financial Results for the 1st Quarter FY09 —

(Billion Yen)

Item		FY08 1Q (A)	FY09 1Q (B)	Change (B) - (A)
Operating income		10.8	-1.2	-12.1
Non Operating Items	Net interest expense	-1.0	-1.2	-0.1
	Equity in earnings of unconsolidated subsidiaries and affiliated companies	0.1	-0.2	-0.4
	Gain(loss) on foreign currency exchange	0.9	0.0	-0.9
	Others	-0.5	-0.5	0.0
	Total	-0.5	-2.1	-1.6
Ordinary income		10.3	-3.4	-13.7

Extraordinary Items

— Financial Results for the 1st Quarter FY09 —

(Billion Yen)

Item	FY08 1Q (A)	FY09 1Q (B)	Change (B) - (A)
Extraordinary income	0.0	0.0	0.0
Loss on disposal of PP & E	-0.1	-1.6	-1.4
Loss on valuation of inventories	-0.1	0.0	0.1
Others	0.0	0.0	0.0
Extraordinary loss	-0.3	-1.6	-1.3
Net extraordinary income/loss	-0.2	-1.6	-1.3

Operating Income – Net Income

– Financial Results for the 1st Quarter FY09 –

(Billion Yen)

Item	FY08 1Q (A)	FY09 1Q (B)	Change (B) - (A)
Operating income	10.8	-1.2	-12.1
Non operating item	-0.5	-2.1	-1.6
Ordinary income	10.3	-3.4	-13.7
Extraordinary item	-0.2	-1.6	-1.3
Income before income tax and minority interest	10.0	-5.0	-15.0
Income tax and minority interest	-3.5	1.7	5.3
Net income	6.4	-3.2	-9.7
Net income per share(Yen/Share)	6.46	-3.25	-9.71

Environmental Factors

— Financial Results for the 1st Quarter FY09 —

(Billion Yen)

Item		FY08 1Q (A)	FY09 1Q (B)	Change (B) - (A)	Impacts on Consolidated OP Income	
Exchange Rate		Yen/\$	104.6	97.3	-7.3	0.1
Material Price	Naphtha	(CIF) \$/t	960	461	-499	2.8
		(Domestic) Yen/KL	70,900	33,300	-37,600	(2.9)
	Benzene (Average of US and Euro Contract Price)	\$/t	1,140	430	-710	4.4 (4.7)
	Australian Coal	\$/t	170.5	94.0	-76.5	3.6
		(CIF) Yen/t	17,826	9,146	-8,680	(3.9)

():including impacts on fluctuation of exchange rate

Sales by Segment

— Financial Results for the 1st Quarter FY09 —

(Billion Yen)

Segment	FY08 1Q (A)	FY09 1Q (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	60.9	32.3	-28.6	Caprolactam chain -23.9 Synthetic rubber -4.5 etc.
Specialty Chemicals & Products	23.4	16.9	-6.5	Specialty products -4.4 Overseas sales subsidiaries -1.3 Fine chemicals and Pharmaceuticals -0.8
Cement & Construction Materials	52.0	42.9	-9.1	Cement and Ready-mixed concrete -4.5 Construction materials and Quicklime related products -4.4 etc.
Machinery & Metal Products	27.7	16.4	-11.2	Machinery -6.8 Aluminum wheels -4.4
Energy & Environment	11.7	10.4	-1.2	Power -0.7 Coal -0.6, etc.
Others	1.0	0.9	0.0	
Total	176.9	120.1	-56.8	Decreased by 32.1%

Operating Income by Segment

— Financial Results for the 1st Quarter FY09 —

(Billion Yen)

Segment	FY08 1Q (A)	FY09 1Q (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	3.3	-4.1	-7.5	Caprolactam chain -6.4 Synthetic rubber -1.3 etc.
Specialty Chemicals & Products	2.4	1.2	-1.2	Specialty products -1.7 Fine chemicals and Pharmaceuticals 0.5 etc.
Cement & Construction Materials	2.3	0.3	-1.9	Cement and Ready-mixed concrete -1.0 Construction materials and Quicklime related products -0.6 etc.
Machinery & Metal Products	0.6	-0.0	-0.7	Aluminum wheels -0.4 Machinery -0.3
Energy & Environment	1.9	1.2	-0.6	Coal -0.4 Power -0.4, etc.
Others	0.2	0.2	0.0	
Total	10.8	-1.2	-12.1	

Analysis of Operating Income

— Financial Results for the 1st Quarter FY09 —

(Billion Yen)

Segment	Operating Income							
	FY08 1Q (A)	FY09 1Q (B)	Change (B) - (A)	Price *1	Sales Volume	Fixed Cost	Impact due to LCM Method	Others *2
Chemicals & Plastics	3.3	-4.1	-7.5	-4.0	-3.3	1.2	4.0	-5.4
Specialty Chemicals & Products	2.4	1.2	-1.2	0.2	-2.0	0.8	0.1	-0.4
Cement & Construction Materials	2.3	0.3	-1.9	0.6	-2.7	0.8	0.1	-0.7
Machinery & Metal Products	0.6	-0.0	-0.7	0.5	-0.9	1.1	-0.1	*3 -1.2
Energy & Environment	1.9	1.2	-0.6	-1.5	-0.7	0.0	0.0	*4 1.5
Others	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Total	10.8	-1.2	-12.1	-4.2	-9.6	3.9	4.1	-6.2

*1: Including both selling and purchase change

*2 : Including inventory valuation changes -4.1

*3: Including marginal profit on machinery products -1.3

*4: Including decrease in excluding unrealized gains +1.2

Sales Progress by Segment

— Financial Results for the 1st Quarter FY09 —

(Billion Yen)

Segment	FY08			FY09			Change (B) - (A)
	First Half	1Q	Progress (A)	First Half Forecast	1Q	Progress (B)	
Chemicals & Plastics	127.3	60.9	47.8%	67.5	32.3	47.9%	0.1%
Specialty Chemicals & Products	48.4	23.4	48.3%	34.5	16.9	49.0%	0.7%
Cement & Construction Materials	105.5	52.0	49.3%	95.5	42.9	44.9%	-4.4%
Machinery & Metal Products	59.6	27.7	46.5%	40.5	16.4	40.5%	-6.0%
Energy & Environment	29.3	11.7	39.9%	18.5	10.4	56.2%	16.3%
Others	1.8	1.0	55.6%	1.5	0.9	60.0%	4.4%
Total	372.1	176.9	47.5%	258.0	120.1	46.6%	-0.9%

Operating Profit Progress by Segment

— Financial Results for the 1st Quarter FY09 —

(Billion Yen)

Segment	FY08			FY09			Change (B) - (A)
	First Half	1Q	Progress (A)	First Half Forecast	1Q	Progress (B)	
Chemicals & Plastics	10.7	3.3	30.8%	-6.0	-4.1	---	---
Specialty Chemicals & Products	5.8	2.4	41.4%	1.8	1.2	66.7%	25.3%
Cement & Construction Materials	3.8	2.3	60.5%	2.6	0.3	11.5%	-49.0%
Machinery & Metal Products	2.3	0.6	26.1%	0.6	-0.0	---	---
Energy & Environment	4.2	1.9	45.2%	1.7	1.2	70.6%	25.4%
Others	0.3	0.2	66.7%	0.3	0.2	66.7%	0.0%
Total	27.1	10.8	39.9%	1.0	-1.2	---	---

Consolidated Balance Sheet

— Financial Results for the 1st Quarter FY09 —

(Billion Yen)

Item	End of FY08 (A)	End of FY09 1Q (B)	Change (B) - (A)
Current assets	277.5	254.1	-23.3
Fixed assets	400.3	401.3	0.9
Total assets	677.9	655.5	-22.4
Interest-bearing debts	306.8	303.2	-3.5
Other liabilities	176.4	162.3	-14.1
Total liabilities	483.2	465.5	-17.6
Equity capital *1	171.9	167.9	-4.0
Minority interest	22.7	22.0	-0.6
Total net assets	194.7	189.9	-4.7
Total liabilities and net assets	677.9	655.5	-22.4

*1: Equity capital = Net assets - Share subscription rights - Minority interests

Consolidated Statements of Cash Flows

— Financial Results for the 1st Quarter FY09 —

(Billion Yen)

Item	FY08 1Q	FY09 1Q	
A.Cash flows from operating activities	10.8	8.4	Income before tax and minority interests -5.0 Depreciation and amortization 8.2 Working capital 1.2
B.Cash flows from investing activities	-8.5	-6.8	Acquisition of PP&E -6.9
Free cash flows (A+B)	2.2	1.6	
C.Cash flows from financing activities	-0.9	-8.8	Increase in interest-bearing debts -4.2 Dividends -4.5
D.Net increase/decrease in cash and cash equivalents	0.0	-7.0	
E.Cash and cash equivalents at end of the first quarter	25.1	32.1	

Business Highlight

— Financial Results for the 1st Quarter FY09 —

Chemicals and Plastics

- ◆ TSRC Ube (Nantong) Chemical Industry Co., Ltd. , which is the Chinese joint venture operation of Ube Industries, Marubeni Corporation and TSRC Corporation., has begun commercial operation in its factory for butadiene rubber. (May 2009)
- ◆ Thai Caprolactam Public Co., Ltd. of Thailand gained approval from United Nations (UN) for nitrous oxide (N₂O) reduction project based on clean development mechanism (CDM). (June 2009)

Specialty Chemicals and Products

- ◆ Ube Industries has completed its plant construction for silicon nitride (increasing its capabilities) at the Ube Chemical Factory. (April 2009)
- ◆ The U.S. Food and Drug Administration (FDA) has approved Effient™ (prasugrel), an oral antiplatelet agent. (July 2009)

The logo consists of a blue square containing white text. The text is arranged in four lines: "Wings of", "technology", "Spirit of", and "innovation" in a serif font, followed by "UBE" in a bold, italicized sans-serif font.

Wings of
technology
Spirit of
innovation
UBE

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