

Financial Results for the 1st Quarter FY 2013

August 6, 2013

UBE INDUSTRIES, LTD.

Scope of Consolidation

— Financial Results for the 1st Quarter FY13 —

Item	End of FY12 (A)	End of FY13 1Q (B)	Change (B) - (A)	Notes
Number of consolidated subsidiaries	67	68	+1	Newly Included: 1 UBE-Nitto Kasei (WUXI) Co., Ltd.
Number of equity method affiliates	25	25	0	Newly Included: None Newly Excluded: None
Total	92	93	+1	

Environmental Factors

— Financial Results for the 1st Quarter FY13 —

(Billion Yen)

Item			FY12 1Q (A)	FY13 1Q (B)	Change (B) - (A)	Impacts on Consolidated Operating Income
Exchange Rate		Yen/\$	80.2	98.8	18.6	0.2
Material Price	Naphtha (Domestic)	\$/t	1,045	929	-116	0.5
		Yen/KL	60,600	65,500	4,900	(-0.4)
	Benzene (Average of US and Euro Contract Price)	\$/t	1,223	1,329	106	-0.7 (-2.7)
	Australian Coal (CIF)	\$/t	131.0	111.6	-19.4	0.7
		Yen/t	10,506	11,022	516	(-0.2)

(): including impacts from fluctuation of exchange rate

Major P/L & B/S Items

— Financial Results for the 1st Quarter FY13 —

(Billion Yen)

Item	FY12 1Q (A)	FY13 1Q (B)	Change (B) - (A)
Sales	151.2	153.4	2.1
Operating income	6.0	1.2	-4.8
Ordinary income	5.8	0.0	-5.8
Net income	2.3	-0.2	-2.6
Item	End of FY12 (A)	End of FY13 1Q (B)	Change (B) - (A)
Total assets	685.8	707.1	21.2
Debt	246.6	253.4	6.8
Net debt	210.6	210.2	-0.4
Equity capital *1	215.5	218.1	2.6

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

Non Operating Items

— Financial Results for the 1st Quarter FY13 —

(Billion Yen)

Item		FY12 1Q (A)	FY13 1Q (B)	Change (B) - (A)
Operating income		6.0	1.2	-4.8
Non operating income / loss	Net interest income / expense	-0.6	-0.4	0.1
	Equity in earnings of unconsolidated subsidiaries and affiliated companies	0.0	0.3	0.2
	Net gain / loss on Foreign currency exchange	-0.2	-0.0	0.2
	Others	0.6	-1.0	-1.6
	Total	-0.1	-1.2	-1.0
Ordinary income		5.8	0.0	-5.8

Extraordinary Items

— Financial Results for the 1st Quarter FY13 —

(Billion Yen)

Item		FY12 1Q (A)	FY13 1Q (B)	Change (B) - (A)
	Gain on transfer of business	0.2	-	-0.2
	Others	0.0	0.0	0.0
	Extraordinary income	0.3	0.0	-0.2
	Loss on disposal of PP&E	-0.1	-0.3	-0.1
	Others	-0.0	-	0.0
	Extraordinary loss	-0.2	-0.3	-0.1
	Net extraordinary income / loss	0.1	-0.2	-0.4

Operating Income – Net Income

– Financial Results for the 1st Quarter FY13 –

(Billion Yen)

Item	FY12 1Q (A)	FY13 1Q (B)	Change (B) - (A)
Operating income	6.0	1.2	-4.8
Non operating item	-0.1	-1.2	-1.0
Ordinary income	5.8	0.0	-5.8
Extraordinary item	0.1	-0.2	-0.4
Income before income tax and minority interest	6.0	-0.2	-6.2
Income tax and minority interest	-3.6	0.0	3.6
Net income	2.3	-0.2	-2.6
Net income per share(Yen/Share)	2.33yen	-0.27yen	-2.60yen

Sales by Segment

— Financial Results for the 1st Quarter FY13 —

(Billion Yen)

Segment	FY12 1Q (A)	FY13 1Q (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	54.4	53.0	-1.3	Caprolactam chain -0.2 Synthetic rubber -1.1
Specialty Chemicals & Products	15.6	15.7	0.1	Specialty products -0.3 Fine chemicals 0.4
Pharmaceutical	2.4	1.8	-0.6	
Cement & Construction Materials	50.5	52.5	1.9	Cement and Ready-mixed concrete 1.6 Construction materials and Quicklime related products -0.2, etc.
Machinery & Metal Products	15.3	18.1	2.8	
Energy & Environment	16.4	12.9	-3.5	Coal -1.2, Power -2.3
Others	6.3	7.4	1.1	
Adjustment	-9.9	-8.2	1.6	
Total	151.2	153.4	2.1	Increased by 1.4%

Operating Income by Segment

— Financial Results for the 1st Quarter FY13 —

(Billion Yen)

Segment	FY12 1Q (A)	FY13 1Q (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	1.5	-2.9	-4.5	Caprolactam chain -3.6 Synthetic rubber -0.9
Specialty Chemicals & Products	0.6	-0.0	-0.6	Specialty products -0.7 Fine chemicals 0.1
Pharmaceutical	0.7	0.2	-0.4	
Cement & Construction Materials	1.7	2.7	1.0	Cement and Ready-mixed concrete 1.2 Construction materials and Quicklime related products -0.3, etc.
Machinery & Metal Products	0.6	1.2	0.6	
Energy & Environment	1.1	-0.0	-1.1	Coal -0.3, Power -0.8
Others	0.2	0.2	-0.0	
Adjustment	-0.6	-0.2	0.4	
Total	6.0	1.2	-4.8	Decreased by 79.1%

Analysis of Operating Income

— Financial Results for the 1st Quarter FY13 —

(Billion Yen)

Segment	Operating Income						
	FY12 1Q (A)	FY13 1Q (B)	Change (B) - (A)	Price *1	Sales Volume	Fixed Cost	Others *2
Chemicals & Plastics	1.5	-2.9	-4.5	-2.9	-0.5	0.3	-1.4
Specialty Chemicals & Products	0.6	-0.0	-0.6	-0.4	-0.3	0.1	0.0
Pharmaceutical	0.7	0.2	-0.4	-0.3	0.0	-0.1	-0.1
Cement & Construction Materials	1.7	2.7	1.0	1.1	0.5	0.1	-0.7
Machinery & Metal Products	0.6	1.2	0.6	0.2	0.0	0.4	*3 0.1
Energy & Environment	1.1	-0.0	-1.1	-0.6	0.1	0.0	-0.7
Others	0.2	0.2	-0.0	0.0	0.0	0.1	-0.1
Adjustment	-0.6	-0.2	0.4	-	-	0.4	0.1
Total	6.0	1.2	-4.8	-3.0	-0.1	1.2	-2.9

*1: Including both selling and purchase change *2: Including inventory valuation changes -1.4

*3: Including marginal profit on machinery products 0.1

Consolidated Balance Sheet

— Financial Results for the 1st Quarter FY13 —

(Billion Yen)

Item		End of FY12 (A)	End of FY13 1Q (B)	Change (B) - (A)
Assets	Current assets	287.3	303.0	15.6
	Fixed assets	398.3	403.9	5.5
	Total	685.8	707.1	21.2
Liabilities	Interest-bearing debts	246.6	253.4	6.8
	Other liabilities	188.4	199.8	11.3
	Total	435.1	453.2	18.1
Net Assets	Equity capital *1	215.5	218.1	2.6
	Minority interests and others	35.2	35.6	0.4
	Total	250.7	253.8	3.0
Total liabilities and net assets		685.8	707.1	21.2

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

Consolidated Statements of Cash Flows

— Financial Results for the 1st Quarter FY13 —

(Billion Yen)

Item	FY12 1Q	FY13 1Q	
A.Cash flows from operating activities	12.3	12.0	Income/losses before income tax and minority interests -0.2 Depreciation and amortization 7.8 Working capital 3.8, etc.
B.Cash flows from investing activities	-12.0	-10.1	Acquisition of PP&E -7.9 Acquisition of shares of subsidiaries -1.9, etc.
Free cash flows (A+B)	0.2	1.8	
C.Cash flows from financing activities	-0.6	1.1	Increase/decrease in interest-bearing debts 6.6 Dividends -5.4, etc.
D.Net increase/decrease in cash and cash equivalents	0.6	7.3	Change in the end of the reporting period of subsidiaries 3.2, etc.
E.Cash and cash equivalents at end of the quarter	33.7	43.2	

Sales Progress by Segment

— Financial Results for the 1st Quarter FY13 —

(Billion Yen)

Segment	FY12			FY13			Change (B) - (A)
	First Half	1Q	Progress (A)	First Half Forecast	1Q	Progress (B)	
Chemicals & Plastics	109.3	54.4	49.8%	123.5	53.0	43.0%	-6.8%
Specialty Chemicals & Products	32.1	15.6	48.7%	35.0	15.7	45.0%	-3.7%
Pharmaceutical	5.6	2.4	42.6%	5.0	1.8	36.0%	-6.6%
Cement & Construction Materials	101.5	50.5	49.8%	103.0	52.5	51.0%	1.2%
Machinery & Metal Products	34.3	15.3	44.6%	35.5	18.1	51.2%	6.6%
Energy & Environment	35.4	16.4	46.5%	32.5	12.9	39.8%	-6.7%
Others	12.3	6.3	51.1%	12.5	7.4	59.6%	8.5%
Adjustment	-20.1	-9.9	---	-19.0	-8.2	---	---
Total	310.7	151.2	48.7%	328.0	153.4	46.8%	-1.9%

Operating Income Progress by Segment

— Financial Results for the 1st Quarter FY13 —

(Billion Yen)

Segment	FY12			FY13			Change (B) - (A)
	First Half	1Q	Progress (A)	First Half Forecast	1Q	Progress (B)	
Chemicals & Plastics	3.8	1.5	40.6%	1.0	-2.9	---	---
Specialty Chemicals & Products	1.8	0.6	32.8%	1.8	-0.0	---	---
Pharmaceutical	1.9	0.7	38.8%	0.5	0.2	57.2%	18.4%
Cement & Construction Materials	4.5	1.7	38.2%	5.8	2.7	47.7%	9.5%
Machinery & Metal Products	1.6	0.6	40.1%	1.5	1.2	85.9%	45.8%
Energy & Environment	2.6	1.1	40.9%	1.6	-0.0	---	---
Others	0.4	0.2	58.4%	0.4	0.2	51.5%	-6.9%
Adjustment	-0.8	-0.6	---	-0.6	-0.2	---	---
Total	16.1	6.0	37.5%	12.0	1.2	10.6%	-26.9%

Appendix

Major Subsidiaries

— Financial Results for the 1st Quarter FY13 —

(Billion Yen)

Subsidiaries and Affiliates		Business	Sales FY13 1Q	Operating income change from FY12 1Q
Chemicals & Plastics	UBE CHEMICALS (ASIA) PUBLIC CO., LTD.	Manufacture and sales of caprolactam and polyamide resin	9.9	↓
	UBE CHEMICAL EUROPE, S.A.	Manufacture and sales of caprolactam.	8.6	↓
	THAI SYNTHETIC RUBBERS CO., LTD.	Manufacture and sales of polybutadiene	3.3	→
	UBE ENGINEERING PLASTICS, S.A.	Manufacture and sales of polyamide resin	3.1	→
	UBE AMMONIA INDUSTRY, LTD.	Manufacture and sales of ammonia	2.0	→
	UBE FILM, LTD.	Manufacture and sales of plastic-film products	2.2	→
Specialty Chemicals & Products	UBE-NITTO KASEI CO., LTD.	Manufacture and sales of electronics & IT materials, industrial materials and fiber-reinforced plastics	3.0	↓
Cement & Construction Materials	UBE CONSTRUCTION MATERIALS SALES CO., LTD.	Sales of construction materials	13.1	→
	UBE MATERIAL INDUSTRIES, LTD.	Manufacture and sales of seawater magnesia, magnesium hydroxide, quicklime, slaked lime and others	9.1	↓
	UBE SHIPPING & LOGISTICS, LTD.	Domestic shipping, harbor transportation, shipping-agent services and customs clearing	5.0	→
	KANTO UBE CONCRETE CO., LTD.	Manufacture and sales of ready-mixed concrete	3.1	→
Machinery & Metal Products	UBE MACHINERY CORPORATION, LTD.	Manufacture and sales of industrial machinery and bridges	7.3	↑
	UBE STEEL CO., LTD.	Manufacture and sales of cast iron, steel products and rolled steel billets	4.6	↑
	UBE TECHNO ENG. CO., LTD.	Service and maintenance of industrial machinery and equipment	3.4	↓
Energy & Environment	UBE C&A CO., LTD.	Sales of imported steaming coal from Australia and other countries	5.2	→

Note: ↑ ↓ :Represent an increase or decrease of over 100 million JPY



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.