

**Financial Results for the
3rd Quarter FY 2014**

February 3, 2015

UBE INDUSTRIES,LTD.

Contents

- **FY2014 3rd Quarter Consolidated Results**
- **FY2014 Consolidated Forecasts**
- **Appendix**

※This"3rd Quarter(3Q)" date states information for 9 month total.

FY2014 3rd Quarter Consolidated Results

Scope of Consolidation

- Financial Results for the 3rd Quarter FY2014 -

Item	End of FY2013 (A)	End of FY2014 3Q (B)	Change (B) - (A)	Notes
Number of consolidated subsidiaries	65	70	5	+ UBE Machinery Thai + AET LLC + AET (USA) LLC + AET (Europe) S.A. + AET (Zhangjiagang) Co., Ltd. (※)
Number of equity method affiliates	24	24	0	+ US Power - AET LLC (※)
Total	89	94	5	

※AET : Advanced Electrolyte Technologies

Environmental Factors

- Financial Results for the 3rd Quarter FY2014 -

(Billion Yen)

Item		FY2013 3Q (A)	FY2014 3Q (B)	Change (B) - (A)	Impacts on Consolidated OP Income	
Exchange Rate	Yen/\$	99.4	106.9	7.5	0.0	
Material Price	(CIF) Naphtha	\$/ t	928	906	-22	0.5
	(Domestic)	Yen/KL	65,700	68,400	2,700	(-0.6)
	Benzene(ACP)	\$/ t	1,284	1,237	-47	0.6
	Benzene(USCP)	\$/ t	1,292	1,341	49	(-1.4)
	Australian Coal	\$/ t	111.4	92.4	-19.0	2.8
(CIF)	Yen/t	11,071	9,879	-1,192	(1.7)	

() :Including impacts from fluctuation of exchange rate

Major P/L & B/S Items

- Financial Results for the 3rd Quarter FY2014 -

(Billion Yen)

Item	FY2013 3Q (A)	FY2014 3Q (B)	Change (B) - (A)
Sales	476.6	473.7	-2.9
Operating income	16.4	14.3	-2.0
Ordinary income	11.9	13.9	1.9
Net income	9.6	5.1	-4.4
Item	End of FY2013 (A)	End of FY2014 3Q (B)	Change (B) - (A)
Total assets	700.7	729.8	29.0
Debt	245.8	259.6	13.8
Net debt	215.7	229.2	13.5
Equity capital *1	241.7	253.7	12.0

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

Sales by Segment

- Financial Results for the 3rd Quarter FY2014 -

(Billion Yen)

Segment	FY2013 3Q (A)	FY2014 3Q (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	164.7	159.4	-5.3	Caprolactam chain -6.3, Synthetic rubber 1.0
Specialty Chemicals & Products	47.0	46.5	-0.5	Specialty products -1.3, Fine chemicals 0.8
Pharmaceutical	6.8	6.0	-0.7	
Cement & Construction Materials	168.0	166.9	-1.0	Cement and Ready-mixed concrete -1.0 Construction materials and Quicklime related products 0.1, etc
Machinery & Metal Products	53.0	53.6	0.5	
Energy & Environment	44.6	49.6	4.9	Coal 2.2, Power 2.7, etc
Others	21.3	24.6	3.3	Overseas sales company 3.2, etc
Adjustment	-29.1	-33.0	-3.9	
Total	476.6	473.7	-2.9	Decreased by 0.6%

Operating Income by Segment

- Financial Results for the 3rd Quarter FY2014 -

(Billion Yen)

Segment	FY2013 3Q (A)	FY2014 3Q (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	-2.0	-1.6	0.3	Caprolactam chain 0.1, Synthetic rubber 0.2
Specialty Chemicals & Products	0.2	-1.9	-2.1	Specialty products -2.0 Fine chemicals -0.1
Pharmaceutical	1.2	1.0	-0.1	
Cement & Construction Materials	12.0	12.5	0.5	Cement and Ready-mixed concrete -0.3, Construction materials and Quicklime related products 0.9, etc
Machinery & Metal Products	3.1	1.8	-1.2	
Energy & Environment	1.3	1.8	0.5	Coal -0.2, Power 0.7, etc
Others	0.8	0.9	0.0	
Adjustment	-0.2	-0.3	-0.0	
Total	16.4	14.3	-2.0	Decreased by 12.6%

Analysis of Operating Income

- Financial Results for the 3rd Quarter FY2014 -

(Billion Yen)

Segment	Operating Income						
	FY2013 3Q (A)	FY2014 3Q (B)	Change (B) - (A)	Price *1	Sales Volume	Fixed Cost	Others *2
Chemicals & Plastics	-2.0	-1.6	0.3	-2.3	0.1	0.6	1.9
Specialty Chemicals & Products	0.2	-1.9	-2.1	-2.2	0.3	-0.2	-0.0
Pharmaceutical	1.2	1.0	-0.1	-0.0	-0.1	-0.0	0.0
Cement & construction Materials	12.0	12.5	0.5	0.6	-0.3	0.1	0.0
Machinery & Metal Products	3.1	1.8	-1.2	-0.0	0.2	-0.5	*3 -0.9
Energy & Environment	1.3	1.8	0.5	-0.0	0.5	0.2	-0.1
Others	0.8	0.9	0.0	0.0	0.0	0.0	0.0
Adjustment	-0.2	-0.3	-0.0	-	-	-0.0	-0.0
Total	16.4	14.3	-2.0	-4.1	0.7	0.2	1.0

*1:Including both selling and purchase change *2:Including inventory valuation changes 0.4

*3:Including marginal profit on machinery product -0.8

Non Operating Items

- Financial Results for the 3rd Quarter FY2014 -

(Billion Yen)

Item		FY2013 3Q (A)	FY2014 3Q (B)	Change (B) - (A)
Operating income		16.4	14.3	-2.0
Non operating income	Net interest expense	-1.5	-0.9	0.5
	Equity in earnings of unconsolidated subsidiaries and affiliated companies	-0.3	0.9	1.2
	Foreign currency gain/loss	0.1	1.1	0.9
	Others	-2.6	-1.5	1.1
	Total	-4.4	-0.4	3.9
Ordinary income		11.9	13.9	1.9

Extraordinary Items

- Financial Results for the 3rd Quarter FY2014 -

(Billion Yen)

Item		FY2013 3Q (A)	FY2014 3Q (B)	Change (B) - (A)
	Gain on negative goodwill	2.8	0.2	-2.6
	Loss on disposal of PP&E	-0.4	-1.9	-1.5
	Loss on impairment	-0.0	(※1) -1.1	-1.1
	Loss on business of subsidiaries and affiliates	-	(※1) -3.2	-3.2
	Others	-0.7	-0.2	0.4
	Net extraordinary income/loss	1.6	-6.4	-8.0

※1 : Loss by dissolution of subsidiary, Ube Board Co., Ltd. -3.8

Operating Income - Net Income

- Financial Results for the 3rd Quarter FY2014 -

(Billion Yen)

Item	FY2013 3Q (A)	FY2014 3Q (B)	Change (B) - (A)
Operating income	16.4	14.3	-2.0
Non operating item	-4.4	-0.4	3.9
Ordinary income	11.9	13.9	1.9
Extraordinary item	1.6	-6.4	-8.0
Income before income tax and minority interest	13.6	7.4	-6.1
Income tax and minority interest	-3.9	-2.3	1.6
Net income	9.6	5.1	-4.4
Net income per share(Yen/Share)	9.32yen	4.85yen	-4.47yen

Consolidated Balance Sheet

- Financial Results for the 3rd Quarter FY2014 -

(Billion Yen)

Item	End of FY2013 (A)	End of FY2014 3Q (B)	Change (B) - (A)
Current assets	296.5	306.3	9.8
Fixed assets	404.0	423.2	19.1
Total assets	700.7	729.8	29.0
Interest-bearing debts	245.8	259.6	13.8
Other liabilities	189.5	189.7	0.1
Total liabilities	435.3	449.3	14.0
Equity capital *1	241.7	253.7	12.0
Minority interests and others	23.6	26.6	3.0
Total net assets	265.3	280.4	15.0
Total liabilities and net assets	700.7	729.8	29.0

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

Consolidated Statements of Cash Flows

- Financial Results for the 3rd Quarter FY2014 -

(Billion Yen)

Item	FY2013 3Q	FY2014 3Q	
A.Cash flows from operating activities	15.6	25.7	Net income before income tax and minority interests 7.4, Depreciation and amortization 24.6,
B.Cash flows from investing activities	-28.3	-32.7	Acquisition of PP&E -31.5, etc.
Free cash flows (A+B)	-12.7	-7.0	
C.Cash flows from financing activities	4.6	6.1	Increase in interest-bearing debts 11.8 Dividends -5.4, etc.
D.Net increase/decrease in cash and cash equivalents	-2.7	0.2	
E.Cash and cash equivalents at end of the quarter	33.2	30.3	

FY2014 Consolidated Forecasts

Management Indices

- FY2014 Consolidated Forecasts -

(Billion Yen)

Item	FY2013 (A)		FY2014 (B)		Change (B) - (A)	
		3Q (Progress)	(B)	3Q (Progress)		3Q
Sales	650.5	476.6 (73.3%)	660.0	473.7 (71.8%)	9.5	-2.9
Operating income	24.4	16.4 (67.2%)	26.0	14.3 (55.0%)	1.6	-2.0
Ordinary income	18.6	11.9 (64.2%)	22.0	13.9 (63.2%)	3.4	1.9
Net income	12.6	9.6 (76.2%)	12.5	5.1 (40.8%)	-0.1	-4.4
Item	End of FY2013 (A)		End of FY2014 (B)		Change (B) - (A)	
Total assets	700.7		715.0		14.3	
Debt	245.8		242.0		-3.8	
Net debt	215.7		217.0		1.3	
Equity capital *1	241.7		252.0		10.3	
Dividend(Yen /Share)	5.0		5.0		0.0	

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

Appendix

Major Subsidiaries

- Financial Results for the 3rd Quarter FY2014 -

(Billion Yen)

Subsidiaries and Affiliates	Business	Sales FY2014 3Q	Operating income change from FY2013 3Q
UBE CHEMICALS (ASIA) PUBLIC CO., LTD	Manufacture and sales of caprolactam and polyamide resin	31.5	↓
UBE CHEMICAL EUROPE, S.A.	Manufacture and sales of caprolactam, ammonium sulfate and fine chemicals	27.1	↓
THAI SYNTHETIC RUBBERS CO., LTD.	Manufacture and sales of polybutadiene	10.9	↑
UBE ENGINEERING PLASTICS, S.A.	Manufacture and sales of polyamide resin	9.0	↓
UBE AMMONIA INDUSTRY, LTD.	Manufacture and sales of ammonia	11.5	↑
UBE FILM, LTD.	Manufacture and sales of plastic-film products	6.8	↓
UBE EXSYMO CO.,LTD	Manufacture and sales of electronics & IT materials, FRP, industrial materials and fiber-reinforced plastics	8.4	↓
UBE CONSTRUCTION MATERIALS SALES CO., LTD.	Sales of cement, ready-mixed concrete and construction materials	41.5	→
UBE MATERIAL INDUSTRIES,LTD.	Manufacture and sales of Mangesium, Limestone products	29.3	↑
UBE SHIPPING & LOGISTICS, LTD.	Coastal Shipping, Harbor Transport Business, Container Business, Trading Business and Technological Consultant Business	15.2	→
Ready-mixed concrete consolidated subsidiaries	Manufacture and sales of ready-mixed concrete	31.2	↓
UBE MACHINERY CORPORATION, LTD.	Manufacture and sales of industrial machinery and bridges	31.4	↓
UBE STEEL CO., LTD.	Manufacture and sales of cast iron, steel products and rolled steel billets	15.5	→
UBE C&A CO., LTD.	Sales of imported steaming coal from Australia and other countries	25.5	→

Note: ↑ ↓ :Represent an increase or decrease of over 0.1 billion JPY

【Reference】 Major data

- Financial Results for the 3rd Quarter FY2014 -

(Billion Yen)

Item	FY2013 3Q	FY2014 3Q	FY2014 full-year Forecast	FY2013 full-year
capital investment	20.7	30.4	47.0	36.3
Depreciation and amortization	24.0	24.6	34.5	32.4
R&D expense	10.4	10.3	15.0	13.9
Adjusted operating profit	16.7	16.1	27.5	25.2
Debt	258.8	259.6	242.0	245.8
Net debt	225.6	229.2	217.0	215.7
Equity capital	243.0	253.7	252.0	241.7
Total assets	720.0	729.8	715.0	700.7

Net D/E Ratio	0.93	0.9	0.86	0.89
Equity Ratio	33.8	34.8	35.2	34.5
Operating margin	3.4	3.0	3.9	3.8
Return on Assets (ROA)	-	-	3.9	3.6
Return on Equity (ROE)	-	-	5.1	5.5
number of employees	11,310	10,832	10,850	11,225



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