

**Financial Results for the
1st Quarter FY 2015**

July 31, 2015

UBE INDUSTRIES, LTD.

Scope of Consolidation

- Financial Results for the 1st Quarter FY2015 -

Item	End of FY2014 (A)	End of FY2015 1Q (B)	Change (B) - (A)	Notes
Number of consolidated subsidiaries	71	71	0	+ Sanshin Tsusho Co., Ltd. - Advanced Electrolyte Technologies (USA)
Number of equity method affiliates	24	24	0	
Total	95	95	0	

Environmental Factors

- Financial Results for the 1st Quarter FY2015 -

(Billion Yen)

Item		FY2014 1Q (A)	FY2015 1Q (B)	Change (B) - (A)	Impacts on Consolidated OP Income	
Exchange Rate	Yen/\$	102.2	121.4	19.2	0.5	
Material Price	(CIF) Naphtha (Domestic)	\$/ t	958	558	-400	2.4
		Yen/KL	70,000	48,900	-21,100	(1.8)
	Benzene(ACP)	\$/ t	1,274	792	-482	4.1
	Benzene(USCP)	\$/ t	1,382	766	-616	(2.9)
	Australian Coal (CIF)	\$/ t	95.7	77.6	-18.1	1.2
	Yen/t	9,779	9,414	-365	(0.2)	

() :Including impacts from fluctuation of exchange rate

Major P/L & B/S Items

- Financial Results for the 1st Quarter FY2015 -

(Billion Yen)			
Item	FY2014 1Q (A)	FY2015 1Q (B)	Change (B) - (A)
Sales	148.5	161.3	12.8
Operating income	0.2	9.5	9.3
Ordinary income	-0.3	9.9	10.3
Profit attributable to owners of parent	-1.1	6.3	7.5
Item	End of FY2014 (A)	End of FY2015 1Q (B)	Change (B) - (A)
Total assets	711.5	720.0	8.4
Debt	239.7	239.0	-0.6
Net debt	202.7	198.0	-4.7
Equity capital *1	263.3	265.7	2.3

*1: Equity capital = Net assets - Share subscription rights - Non Controlling Interests

Sales by Segment

- Financial Results for the 1st Quarter FY2015 -

(Billion Yen)

Segment	FY2014 1Q (A)	FY2015 1Q (B)	Change (B) - (A)	Major Factors
Chemicals	64.8	70.0	5.2	Nylon/Caprolactam chain 3.9, Synthetic rubber Δ 1.4, Battery Materials and Fine Chemicals 2.2, etc
Pharmaceutical	1.2	1.7	0.5	
Cement & Construction Materials	54.3	58.9	4.5	Cement and Ready-mixed concrete 6.0, Construction materials and Limestone related products -1.0, etc
Machinery & Metal Products	15.7	14.3	-1.3	
Energy & Environment	14.4	20.4	5.9	Coal 2.7, Power 3.2
Others	4.6	4.3	-0.3	
Adjustment	-6.8	-8.4	-1.6	
Total	148.5	161.3	12.8	Increased by 8.6%

The former Chemicals & Plastics segment and Specialty Chemicals & Products segment are included in the Chemicals segment as of April 1, 2015. Results for the year ended March 31, 2015 have been restated accordingly to allow comparison. Following slides are conducted similarly.

Operating Income by Segment

- Financial Results for the 1st Quarter FY2015 -

(Billion Yen)

Segment	FY2014 1Q (A)	FY2015 1Q (B)	Change (B) - (A)	Major Factors
Chemicals	-2.8	3.5	6.3	Nylon/Caprolactam chain 5.5, Synthetic rubber Δ 0.4, Battery Materials and Fine Chemicals 1.1, Polyimide and Specialty Products 0.2, etc
Pharmaceutical	-0.1	-0.0	0.0	
Cement & Construction Materials	2.8	4.2	1.4	Cement and Ready-mixed concrete 1.3, Construction materials and Limestone related products 0.1
Machinery & Metal Products	-0.0	0.6	0.7	
Energy & Environment	0.4	1.4	0.9	Coal 0.4, Power 0.6, etc
Others	0.1	0.2	0.0	
Adjustment	-0.1	-0.4	-0.2	
Total	0.2	9.5	9.3	

Analysis of Operating Income

- Financial Results for the 1st Quarter FY2015 -

(Billion Yen)

Segment	Operating Income						
	FY2014 1Q (A)	FY2015 1Q (B)	Change (B) - (A)	Price *1	Sales Volume	Fixed Cost	Others *2
Chemicals	-2.8	3.5	6.3	4.0	1.7	1.3	-0.6
Pharmaceutical	-0.1	-0.0	0.0	0.0	-0.3	0.0	0.3
Cement & construction Materials	2.8	4.2	1.4	1.7	-0.2	-0.4	0.3
Machinery & Metal Products	-0.0	0.6	0.7	0.5	-0.1	0.1	*3 0.2
Energy & Environment	0.4	1.4	0.9	-0.8	2.1	-0.3	0.0
Others	0.1	0.2	0.0	0.0	0.0	-0.0	0.0
Adjustment	-0.1	-0.4	-0.2	-	-	-0.1	-0.1
Total	0.2	9.5	9.3	5.4	3.2	0.6	0.1

*1:Including both selling and purchase change *2:Including inventory valuation changes -2.2

*3:Including marginal profit on machinery product 0.3

Non Operating Items

- Financial Results for the 1st Quarter FY2015 -

(Billion Yen)

Item		FY2014 1Q (A)	FY2015 1Q (B)	Change (B) - (A)
Operating income		0.2	9.5	9.3
Non operating income	Net interest expense	-0.1	-0.1	-0.0
	Equity in earnings of unconsolidated subsidiaries and affiliated companies	0.0	0.8	0.8
	Foreign currency gain/loss	-0.1	-0.0	0.1
	Others	-0.4	-0.2	0.1
	Total	-0.6	0.4	1.0
Ordinary income		-0.3	9.9	10.3

Extraordinary Items

- Financial Results for the 1st Quarter FY2015 -

(Billion Yen)

Item		FY2014 1Q (A)	FY2015 1Q (B)	Change (B) - (A)
	Loss on disposal of PP&E	-0.7	-0.4	0.3
	Loss on stop of equipment	-0.3	-	0.3
	Net extraordinary income/loss	-1.0	-0.4	0.6

Operating Income - Net Income

- Financial Results for the 1st Quarter FY2015 -

(Billion Yen)

Item	FY2014 1Q (A)	FY2015 1Q (B)	Change (B) - (A)
Operating income	0.2	9.5	9.3
Non operating item	-0.6	0.4	1.0
Ordinary income	-0.3	9.9	10.3
Extraordinary item	-1.0	-0.4	0.6
Income before income tax and minority interest	-1.4	9.5	11.0
Income tax and Profit attributable to non-controlling interests	0.2	-3.1	-3.4
Profit attributable to owners of parent	-1.1	6.3	7.5
Net income per share(Yen/Share)	-1.13yen	6.04yen	7.17yen

Consolidated Balance Sheet

- Financial Results for the 1st Quarter FY2015 -

(Billion Yen)

Item	End of FY2014 (A)	End of FY2015 1Q (B)	Change (B) - (A)
Current assets	282.8	294.1	11.2
Fixed assets	428.5	425.7	-2.8
Total assets	711.5	720.0	8.4
Interest-bearing debts	239.7	239.0	-0.6
Other liabilities	182.2	189.1	6.9
Total liabilities	421.9	428.2	6.2
Equity capital *1	263.3	265.7	2.3
Non Controlling Interests and others	26.2	26.0	-0.1
Total net assets	289.6	291.7	2.1
Total liabilities and net assets	711.5	720.0	8.4

*1: Equity capital = Net assets - Share subscription rights - Non Controlling Interests

Consolidated Statements of Cash Flows

- Financial Results for the 1st Quarter FY2015 -

(Billion Yen)

Item	FY2014 1Q	FY2015 1Q	
A.Cash flows from operating activities	11.3	20.0	Losses before income tax and minority interests 9.5, Depreciation and amortization 8.8, etc.
B.Cash flows from investing activities	-12.2	-8.4	Acquisition of PP&E -8.6, etc.
Free cash flows (A+B)	-0.8	11.5	
C.Cash flows from financing activities	2.3	-8.5	Decrease in interest-bearing debts -3.1 Dividends -5.3, etc.
D.Net increase/decrease in cash and cash equivalents	1.7	4.0	
E.Cash and cash equivalents at end of the quarter	31.8	41.0	

Appendix

Major Subsidiaries

- Financial Results for the 1st Quarter FY2015 -

(Billion Yen)

Subsidiaries and Affiliates	Business	Sales FY2015 1Q	Operating income change from FY2014 1Q
UBE CHEMICALS (ASIA) PUBLIC CO., LTD	Manufacture and sales of caprolactam and polyamide resin	12.1	↑
UBE CHEMICAL EUROPE, S.A.	Manufacture and sales of caprolactam, ammonium sulfate and fine chemicals	9.1	↑
THAI SYNTHETIC RUBBERS CO., LTD.	Manufacture and sales of polybutadiene	2.7	↓
UBE ENGINEERING PLASTICS, S.A.	Manufacture and sales of polyamide resin	3.1	↑
UBE AMMONIA INDUSTRY, LTD.	Manufacture and sales of ammonia	3.5	↑
UBE FILM, LTD.	Manufacture and sales of plastic-film products	2.2	↑
UBE EXSYMO CO.,LTD	Manufacture and sales of electronics & IT materials, FRP, industrial materials and fiber-reinforced plastics	2.8	↑
UBE CONSTRUCTION MATERIALS SALES CO., LTD.	Sales of cement, ready-mixed concrete and construction materials	13.8	→
UBE MATERIAL INDUSTRIES,LTD.	Manufacture and sales of Mangesium, Limestone products	9.4	↑
UBE SHIPPING & LOGISTICS, LTD.	Coastal Shipping, Harbor Transport Business, Container Business, Trading Business and Technological Consultant Business	5.7	↑
SANSHIN TSUSHO Co., Ltd.	Sales of cement, ready-mixed concrete and construction materials	5.5	-
Ready-mixed concrete consolidated subsidiaries	Manufacture and sales of ready-mixed concrete	10.2	→
UBE MACHINERY CORPORATION, LTD.	Manufacture and sales of industrial machinery and bridges	8.2	↑
UBE STEEL CO., LTD.	Manufacture and sales of cast iron, steel products and rolled steel billets	4.2	↑
UBE C&A CO., LTD.	Sales of imported steaming coal from Australia and other countries	9.5	→

New

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

【Reference】 FY2015 Changes in results Sales by Segment

(Billion Yen)

Segment	FY2015					Full-year Forecast	Progress %
	1Q	2Q	3Q	4Q	Total		
Chemicals	70.0	-	-	-	70.0	292.0	24.0%
Pharmaceutical	1.7	-	-	-	1.7	9.5	17.9%
Cement & Construction Materials	58.9	-	-	-	58.9	242.0	24.3%
Machinery & Metal Products	14.3	-	-	-	14.3	83.5	17.1%
Energy & Environment	20.4	-	-	-	20.4	72.5	28.1%
Others	4.3	-	-	-	4.3	14.0	30.7%
Adjustment	-8.4	-	-	-	-8.4	-28.5	-
Total	161.3	-	-	-	161.3	685.0	23.5%

【Reference】 FY2015 Changes in results Operating Income by Segment

(Billion Yen)

Segment	FY2015					Full-year Forecast	Progress %
	1Q	2Q	3Q	4Q	Total		
Chemicals	3.5	-	-	-	3.5	9.5	36.8%
Pharmaceutical	-0.0	-	-	-	-0.0	1.5	-
Cement & Construction Materials	4.2	-	-	-	4.2	17.5	24.0%
Machinery & Metal Products	0.6	-	-	-	0.6	5.0	12.0%
Energy & Environment	1.4	-	-	-	1.4	3.0	46.7%
Others	0.2	-	-	-	0.2	1.0	20.0%
Adjustment	-0.4	-	-	-	-0.4	-1.5	-
Total	9.5	-	-	-	9.5	36.0	26.4%

【Reference】 Major data

- Financial Results for the 1st Quarter FY2015 -

(Billion Yen)

Item	FY2014 1Q	FY2015 1Q	FY2015 full-year Forecast	FY2014 full-year
capital investment	11.0	5.8	38.0	42.5
Depreciation and amortization	8.0	8.8	36.5	33.5
R&D expense	3.4	3.3	14.5	13.8
Adjusted operating profit	0.8	10.8	37.5	26.6
Debt	253.4	239.0	222.0	239.7
Net debt	221.5	198.0	195.0	202.7
Equity capital	235.7	265.7	275.0	263.3
Total assets	698.8	720.0	725.0	711.5
Net D/E Ratio	0.94	0.75	0.71	0.77
Equity Ratio	33.7	36.9	37.9	37.0
Operating margin	0.2	5.9	5.3	3.8
Return on Assets (ROA)	-	-	5.2	3.8
Return on Equity (ROE)	-	-	6.3	5.8
number of employees	11,361	10,863	10,900	10,702



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