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UBE Industries to Transfer Shares in Thai Subsidiary to IRPC Public Company Limited

TOKYO, May 23, 2012 — UBE Industries, Ltd. today announced that it has reached agreement with IRPC Public Company Limited (“IRPC”) of Thailand to invest in UBE Chemicals (Asia) Public Company Limited (“UCHA”), a subsidiary of UBE Industries in Thailand.

In early July 2012, IRPC is expected to invest approximately 5.3 billion baht to subscribe newly issued shares of UCHA and purchase existing shares from UBE Industries, to hold approximately a 25% stake in UCHA. After the transfer of shares to IRPC, UBE Industries will own 68.99% of shares in UCHA, down from 92.67% currently.

UCHA, a nylon and caprolactam manufacturer and seller, was formed in February 2010 through the merger of Thai Caprolactam Public Company Limited and UBE Nylon (Thailand) Limited, both of which began operating in 1997. The company’s plants are located adjacent to the IRPC-owned petrochemical complex, and they presently obtain supplies of sulfur and other raw materials as well as utilities from the complex, while also accessing services such as port facilities and storage tanks at the complex. UCHA plays an important role in the caprolactam chain business of the UBE Industries Group, capitalizing on its highly competitive position and close proximity to growing markets in Southeast Asia and China.

IRPC is one of the group companies of PTT Public Company Limited (“PTT”), which is the largest publicly listed company in Thailand and is mainly engaged in the natural gas and petroleum sectors. IRPC owns and operates a refinery and petrochemical complex in Rayong Province, Thailand that manufactures transportation fuels and petrochemical products.

UBE Industries and PTT have had an agreement in place to collaborate in the field of chemicals since December 2008. For PTT, this collaboration represents an opportunity to strengthen its chain of products and services by expanding into the manufacturing of downstream products, building on PTT’s rich access to chemical raw materials. For UBE Industries, the collaboration provides an avenue to secure reliable supplies of raw materials and further expand its business operations in Thailand, as part of its global operations for the manufacturing and marketing of chemical products. UBE Industries and PTT have been studying a framework that is particularly ideal for UBE Industries to tie up with PTT.

By the agreement to transfer shares of UCHA, UBE Industries and UCHA expect access to these supplies and services at a more competitive cost. UBE Industries and UCHA will also involve the PTT Group in planning for new projects to be pursued in Thailand in the future.

This involvement will facilitate access to raw materials, land, and utilities while enabling the effective use of existing facilities belonging to the PTT Group.

On the other hand, the agreement will enable IRPC to expand its business by adding UCHA's value-added products, such as nylon resin, to its current line of general-purpose chemicals and plastic products. As part of the agreement, IRPC will appoint directors to UCHA in order to participate in its management and facilitate integration with the petrochemical complex and enhance the efficiency of operations. IRPC and the PTT Group will also have the opportunity to jointly participate in the planning of new projects that UCHA will pursue in Thailand.

UCHA is positioned as UBE Industries' largest manufacturing facility outside of Japan, delivering the same high-quality products as in Japan with world-class cost competitiveness. Both UBE Industries and IRPC will seek to expand revenues of UCHA by capitalizing on strong demand for caprolactam in China and other parts of Asia and taking advantage of the rising consumption of nylon fibers and growing use of nylon resin by automakers. With the growing need for stronger environmental management in Thailand, the petrochemical complex will pursue comprehensive environmental initiatives throughout the complex and actively engage in dialogue with surrounding communities.

The transfer of UCHA shares to IRPC will not impact the consolidated business forecast of UBE Industries.

Data for UBE Chemicals (Asia) Public Company Limited

Established:	February 2010
Locations:	Head office in Bangkok, Thailand Plant in Rayong, Thailand
President:	Dr. Charunya Phichitkul
Capital Stock:	8.804 billion baht
Shareholders (after share transfer):	UBE Industries (68.99%), IRPC (25%) Marubeni Corporation (4.78%), other (1.23%)
Business Description:	Manufacturing and sales of caprolactam, ammonium sulfate, and nylon resin
Annual Production Capacity:	Caprolactam 130 kilotonnes, sulfur 540 kilotonnes, nylon resin 75 kilotonnes
Number of Employees:	503

Data for IRPC Public Company Limited

Established:	August 1978
Location:	Head office in Bangkok, Thailand Plant in Rayong, Thailand
President:	Mr. Atikom Terbsiri

Capital Stock:	20.475 billion baht	
Shareholders:	PTT Public Company Limited	38.51%
	Government Savings Bank	9.54%
	The Government Pension Fund (GPF)	5.79%
Business Description:	Petroleum and Petrochemical Business	
Annual Production Capacity:	Ethylene 360 kilotonnes, Propylene 312 kilotonnes, SM 200 kilotonnes, HDPE 152 kilotonnes, PP475 kilotonnes, ABS 116 kilotonnes	
Number of Employees:	5,191	