

**FY2013 Consolidated Results**  
**FY2014 Consolidated Forecasts**

**May 12, 2014**

**UBE INDUSTRIES,LTD.**

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# FY2013 Consolidated Results

## Scope of Consolidation - FY2013 Consolidated Results -

Item	End of FY2012 (A)	End of FY2013 (B)	Change (B) - (A)	Notes
Number of consolidated subsidiaries	<b>67</b>	<b>65</b>	<b>-2</b>	Newly Included: 1 Newly Excluded: 3
Number of equity method affiliates	<b>25</b>	<b>24</b>	<b>-1</b>	Newly Excluded: 1
<b>Total</b>	<b>92</b>	<b>89</b>	<b>-3</b>	

# Environmental Factors - FY2013 Consolidated Results -

(Billion Yen)

Item		FY2012 (A)	FY2013 (B)	Change (B) - (A)	Impacts on Consolidated OP Income	
Exchange Rate	Yen/\$	83.1	100.2	17.1	-0.2	
Material Price	(CIF) Naphtha (Domestic)	\$/ t	965	940	-25	0.6
		Yen/KL	57,500	67,300	9,800	(-2.9)
	Benzene (Average of US and Euro Contract Price)	\$/ t	1,312	1,332	20	-0.5 (-9.7)
	Australian Coal (CIF)	\$/ t	126.8	110.9	-15.9	2.4
Yen/t		10,540	11,117	577	(-1.1)	

( ) :Including impacts from fluctuation of exchange rate

# Major P/L & B/S Items - FY2013 Consolidated Results -

(Billion Yen)

Item	FY2012 (A)	FY2013 (B)	Change (B) - (A)
Sales	626.0	650.5	24.4
Operating income	29.9	24.4	-5.5
Ordinary income	28.0	18.6	-9.3
Net income	8.2	12.6	4.3
Item	End of FY2012 (A)	End of FY2013 (B)	Change (B) - (A)
Total assets	685.8	700.7	14.8
Debt	246.6	245.8	-0.8
Net debt	210.6	215.7	5.0
Equity capital *1	215.5	241.7	26.2
Dividend(Yen /Share)	5.0	5.0	0.0

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

# Non Operating Items - FY2013 Consolidated Results -

(Billion Yen)

Item		FY2012 (A)	FY2013 (B)	Change (B) - (A)
Operating income		29.9	24.4	-5.5
Non operating income	Net interest expense	-2.6	-2.0	0.5
	Equity in earnings of unconsolidated subsidiaries and affiliated companies	1.2	0.0	-1.2
	Foreign currency gain/loss	1.3	0.2	-1.0
	Others	-1.8	-3.8	-2.0
	Total	-1.9	-5.7	-3.8
Ordinary income		28.0	18.6	-9.3

## Extraordinary Items - FY2013 Consolidated Results -

(Billion Yen)

Item	FY2012 (A)	FY2013 (B)	Change (B) - (A)
Gain on negative goodwill	0.0	2.8	2.7
Loss on disposal of PP&E	-8.4	-0.7	7.6
Loss on impairment	-3.1	-0.1	3.0
Loss on related business	-2.7	0.0	2.6
Loss on stop of equipment	-	-1.1	-1.1
Others	2.0	0.2	-1.7
<b>Extraordinary loss</b>	<b>-12.2</b>	<b>0.9</b>	<b>13.1</b>
<b>Net extraordinary income/loss</b>	<b>15.8</b>	<b>19.6</b>	<b>3.8</b>



# Operating Income - Net Income - FY2013 Consolidated Results -

(Billion Yen)

Item	FY2012 (A)	FY2013 (B)	Change (B) - (A)
Operating income	29.9	24.4	-5.5
Non operating item	-1.9	-5.7	-3.8
Ordinary income	28.0	18.6	-9.3
Extraordinary item	-12.2	0.9	13.1
Income before income tax and minority interest	15.8	19.6	3.8
Income tax and minority interest	-7.5	-7.0	0.5
Net income	8.2	12.6	4.3
Net income per share(Yen/Share)	8.22yen	12.16yen	3.94yen

# Sales by Segment

## - FY2013 Consolidated Results -

(Billion Yen)

Segment	FY2012 (A)	FY2013 (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	219.3	230.5	11.2	Caprolactam chain 9.6 Synthetic rubber 1.6
Specialty Chemicals & Products	61.1	63.1	2.0	Specialty products -0.1 Fine chemicals 2.1
Pharmaceutical	11.4	9.7	-1.7	
Cement & Construction Materials	208.3	223.5	15.1	Cement and Ready-mixed concrete 9.9 Construction materials and limestone related products 3.0, etc.
Machinery & Metal Products	71.3	75.5	4.2	
Energy & Environment	68.7	59.0	-9.6	Coal 1.6, Power -11.7, etc
Others	25.2	28.8	3.5	
Adjustment	-39.6	-39.8	-0.2	
<b>Total</b>	<b>626.0</b>	<b>650.5</b>	<b>24.4</b>	Increased by 3.9%

# Operating Income by Segment - FY2013 Consolidated Results -

(Billion Yen)

Segment	FY2012 (A)	FY2013 (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	5.0	0.8	-4.2	Caprolactam chain -4.4 Synthetic rubber 0.2
Specialty Chemicals & Products	1.2	-0.4	-1.6	Specialty products -2.3 Fine chemicals 0.7
Pharmaceutical	3.4	1.6	-1.7	
Cement & Construction Materials	11.4	15.5	4.0	Cement and Ready-mixed concrete 3.5 Construction materials and limestone related products 0.5, etc.
Machinery & Metal Products	3.6	4.4	0.7	
Energy & Environment	5.9	1.9	-3.9	Coal -0.5, Power -3.5, etc
Others	1.0	1.0	0.0	
Adjustment	-1.9	-0.6	1.2	
<b>Total</b>	<b>29.9</b>	<b>24.4</b>	<b>-5.5</b>	Decreased by 18.5%

# Analysis of Operating Income - FY2013 Consolidated Results -

(Billion Yen)

Segment	Operating Income						
	FY2012 (A)	FY2013 (B)	Change (B) - (A)	Price *1	Sales Volume	Fixed Cost	Others *2
Chemicals & Plastics	5.0	0.8	-4.2	-5.9	1.7	2.5	-2.5
Specialty Chemicals & Products	1.2	-0.4	-1.6	-2.5	1.1	0.2	-0.4
Pharmaceutical	3.4	1.6	-1.7	-1.5	-1.0	0.1	0.6
Cement & construction Materials	11.4	15.5	4.0	1.1	3.3	0.1	-0.5
Machinery & Metal Products	3.6	4.4	0.7	-0.1	0.4	0.4	0.1
Energy & Environment	5.9	1.9	-3.9	-1.2	-3.7	0.7	0.1
Others	1.0	1.0	0.0	0.1	-0.1	0.3	-0.3
Adjustment	-1.9	-0.6	1.2	-	-	1.2	0.1
<b>Total</b>	<b>29.9</b>	<b>24.4</b>	<b>-5.5</b>	<b>-10.0</b>	<b>1.8</b>	<b>5.5</b>	<b>-2.9</b>

\*1: Including both selling and purchase change    \*2: Including inventory valuation changes -2.6

# Consolidated Balance Sheet - FY2013 Consolidated Results -

(Billion Yen)

Item	End of FY2012 (A)	End of FY2013 (B)	Change (B) - (A)
Current assets	287.3	296.5	9.1
Fixed assets	398.3	404.0	5.6
Total assets	685.8	700.7	14.8
Interest-bearing debts	246.6	245.8	-0.8
Other liabilities	188.4	189.5	1.0
Total liabilities	435.1	435.3	0.2
Equity capital *1	215.5	241.7	26.2
Minority interests and others	35.2	23.6	-11.6
Total net assets	250.7	265.3	14.6
Total liabilities and net assets	685.8	700.7	14.8

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

# Consolidated Statements of Cash Flows - FY2013 Consolidated Results -

(Billion Yen)

Item	FY2012	FY2013	
A.Cash flows from operating activities	<b>46.1</b>	<b>37.0</b>	Income before tax and minority interests 19.6 Depreciation and amortization 32.4 Working capital -1.9, Payment of Tax and others -7.0, Gain on negative goodwill -2.8, etc.
B.Cash flows from investing activities	<b>-39.0</b>	<b>-40.7</b>	Acquisition of PP&E -36.2, Acquisition of equity of affiliated company -3.0, etc.
Free cash flows (A+B)	<b>7.0</b>	<b>-3.6</b>	
C.Cash flows from financing activities	<b>-5.8</b>	<b>-7.4</b>	Increase/Decrease in interest-bearing debts -1.4 Dividends paid -5.7, etc.
D.Net increase/decrease in cash and cash equivalents	<b>2.8</b>	<b>-5.8</b>	Includes increase by change of affiliated companies' accounting period 3.2
E.Cash and cash equivalents at end of the quarter	<b>35.9</b>	<b>30.0</b>	

# FY2014 Consolidated Forecasts

## Scope of Consolidation - FY2014 Consolidated Forecasts -

Item	End of FY2013 (A)	End of FY2014 (B)	Change (B) - (A)	Notes
Number of consolidated subsidiaries	<b>65</b>	<b>66</b>	<b>+1</b>	Newly Included: 1
Number of equity method affiliates	<b>24</b>	<b>26</b>	<b>+2</b>	Newly Included: 2
<b>Total</b>	<b>89</b>	<b>92</b>	<b>+3</b>	



# Environmental Factors - FY14 Consolidated Forecasts -

(Billion Yen)

Item		FY2013 (A)	FY2014 (B)	Change (B) - (A)	Impacts on Consolidated OP Income	
Exchange Rate	Yen/\$	100.2	105.0	4.8	0.0	
Material Price	(CIF) Naphtha (Domestic)	\$/ t	940	950	10	-0.2 (-1.4)
		Yen/KL	67,300	71,300	4,000	
	Benzene (Average of US and Euro Contract Price)	\$/ t	1,332	1,358	26	-0.7 (-2.6)
	Australian Coal (CIF)	\$/ t	110.9	101.7	-9.2	1.8 (0.9)
		Yen/t	11,117	10,675	-442	

( ) : including impacts from fluctuation of exchange rate

## Major P/L & B/S Items - FY14 Consolidated Forecasts -

(Billion Yen)

Item	FY2013 (A)	FY2014 (B)	Change (B) - (A)
Sales	650.5	670.0	19.5
Operating income	24.4	30.0	5.6
Ordinary income	18.6	24.0	5.4
Net income	12.6	13.5	0.9
Item	End of FY2013 (A)	End of FY2014 (B)	Change (B) - (A)
Total assets	700.7	720.0	19.3
Debt	245.8	246.0	0.2
Net debt	215.7	216.0	0.3
Equity capital *1	241.7	250.0	8.3
Dividend(Yen /Share)	5.0	5.0	0.0

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

## Operating Income - Net Income - FY14 Consolidated Forecasts -

(Billion Yen)

Item	FY2013 (A)	FY2014 (B)	Change (B) - (A)
Operating income	24.4	30.0	5.6
Non operating item	-5.7	-6.0	-0.3
Ordinary income	18.6	24.0	5.4
Extraordinary item	0.9	-2.0	-2.9
Income before income tax and minority interest	19.6	22.0	2.4
Income tax and minority interest	-7.0	-8.5	-1.5
Net income	12.6	13.5	0.9
Net income per share(Yen/Share)	12.16yen	12.76yen	0.60yen

# Sales by Segment

## - FY14 Consolidated Forecasts -

(Billion Yen)

Segment	FY2013 (A)	FY2014 (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	230.5	227.0	-3.5	Caprolactam chain -11.8 Synthetic rubber 8.3
Specialty Chemicals & Products	63.1	73.0	9.9	Specialty products 6.5 Fine chemicals 3.4
Pharmaceutical	9.7	10.0	0.3	
Cement & Construction Materials	223.5	228.0	4.5	Cement and Ready-mixed concrete 1.9 Construction materials and limestone related products 1.0, etc.
Machinery & Metal Products	75.5	77.0	1.5	
Energy & Environment	59.0	64.0	5.0	Coal 0.5, Power 4.8, etc
Others	28.8	31.0	2.2	
Adjustment	-39.8	-40.0	-0.2	
<b>Total</b>	<b>650.5</b>	<b>670.0</b>	<b>19.5</b>	Increasing by 3.0%

## Operating Income by Segment - FY14 Consolidated Forecasts -

(Billion Yen)

Segment	FY2013 (A)	FY2014 (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	0.8	4.5	3.7	Caprolactam chain 2.5 Synthetic rubber 1.2
Specialty Chemicals & Products	-0.4	1.0	1.4	Specialty products 1.0 Fine chemicals 0.4.
Pharmaceutical	1.6	1.7	0.1	
Cement & Construction Materials	15.5	15.5	0.0	
Machinery & Metal Products	4.4	4.5	0.1	
Energy & Environment	1.9	2.5	0.6	Coal 0.5, etc
Others	1.0	1.0	0.0	
Adjustment	-0.6	-0.7	-0.1	
<b>Total</b>	<b>24.4</b>	<b>30.0</b>	<b>5.6</b>	<b>Increasing by 22.9%</b>

# Analysis of Operating Income - FY2014 Consolidated Forecasts -

(Billion Yen)

Segment	Operating Income						
	FY2013 (A)	FY2014 (B)	Change (B) - (A)	Price *	Sales Volume	Fixed Cost	Others
Chemicals & Plastics	0.8	4.5	3.7	-3.6	3.0	0.6	3.7
Specialty Chemicals & Products	-0.4	1.0	1.4	-5.7	7.1	-1.4	1.4
Pharmaceutical	1.6	1.7	0.1	-0.1	-0.1	-0.2	0.4
Cement & construction Materials	15.5	15.5	0.0	-0.9	0.7	-0.8	0.9
Machinery & Metal Products	4.4	4.5	0.1	0.1	-0.1	-0.3	0.3
Energy & Environment	1.9	2.5	0.6	0.1	0.9	-0.4	0.0
Others	1.0	1.0	0.0	0.0	0.0	-0.1	0.0
Adjustment	-0.6	-0.7	-0.1	-	-	-0.1	0.0
<b>Total</b>	<b>24.4</b>	<b>30.0</b>	<b>5.6</b>	<b>-10.1</b>	<b>11.6</b>	<b>-2.7</b>	<b>6.8</b>

\*Including both selling and purchase change

# Appendix

## Management Indices - FY2014 Consolidated Forecasts -

Item	Computation	Unit	FY2012 (Result)	FY2013 (Result)	FY2014 (Forecast)
Net D/E Ratio	Net debt /Equity capital	Times	0.98	0.89	0.86
Equity Ratio	Equity capital /Total assets	%	31.4	34.5	34.7
Operating margin	Operating Income /Sales	%	4.8	3.8	4.5
Return on Assets (ROA)	Business income /Total assets	%	4.8	3.6	4.4
Return on Equity (ROE)	Net income /Equity capital	%	4.0	5.5	5.5

Note: Business income = Operating income + Interest and dividend income  
+ Equity income of unconsolidated subsidiaries and affiliates



## R&D Expenses, Capital Investment and Depreciation

(Billion Yen)

Item	FY2012	FY2013	FY2014
Research and development expenses	14.0	13.9	15.0
Capital investment	40.9	36.3	47.0
Depreciation and amortization	31.3	32.4	35.0

## Major Items for Capital Expenditure

Segment	Subject	Place	Estimated completion date
Chemicals & Plastics	Upgrade of extrusion machinery for nylon compounds	Ube, Japan	May 2014
	New plant for synthetic rubber (JV)	Malaysia	November 2014
	Additional facilities for producing nylon 6	Spain	March 2015
Specialty Chemicals &	Additional facilities for producing separators	Sakai, Japan	FY2014~FY2017
Cement & Construction	Waste heat power generation equipment	Kanda, Japan	December 2015
	Development of Kanayamadai mining zone	Isa, Japan	October 2017
Energy & Environment	Recovery of Independent Power Producer plant	Ube, Japan	Latter half of FY14

# Major Subsidiaries - FY2013 Consolidated Results -

(Billion Yen)

Subsidiaries and Affiliates		Business	Sales FY2013	Operating income change from FY2012
Chemicals & Plastics	UBE CHEMICALS (ASIA) PUBLIC CO., LTD	Manufacture and sales of caprolactam and polyamide resin	45.7	↓
	UBE CHEMICAL EUROPE, S.A.	Manufacture and sales of caprolactam.	35.5	↓
	THAI SYNTHETIC RUBBERS CO., LTD.	Manufacture and sales of polybutadiene	14.8	↑
	UBE ENGINEERING PLASTICS, S.A.	Manufacture and sales of polyamide resin	12.6	↑
	UBE AMMONIA INDUSTRY, LTD.	Manufacture and sales of ammonia	13.9	→
	UBE FILM, LTD.	Manufacture and sales of plastic-film products	9.2	→
Specialty Chemicals & Products	UBE EXSYMO CO.,LTD	Manufacture and sales of electronics & IT materials, FRP,	12.4	↓
Cement & Construction Materials	UBE CONSTRUCTION MATERIALS SALES	Sales of construction materials	55.1	↑
	UBE MATERIAL INDUSTRIES,LTD.	Manufacture and sales of Mangesium, Limestone products	39.4	↑
	UBE SHIPPING & LOGISTICS, LTD.	Domestic shipping, harbor transportation, shipping-agent services and customs clearing	20.7	↑
	KANTO UBE CONCRETE CO., LTD.	Manufacture and sales of ready-mixed concrete	11.8	↓
Machinery & Metal Products	UBE MACHINERY CORPORATION, L	Manufacture and sales of industrial machinery and bridges	44.1	↓
	UBE STEEL CO., LTD.	Manufacture and sales of cast iron, steel produ	20.1	↑
Energy & Environment	UBE C&A CO., LTD.	Sales of imported steaming coal from Australia and other countries	30.8	↓

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



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