

## UBE to Adopt New Manufacturing Process for Cyclohexanone, Intermediate Material for Caprolactam

January 21, 2016

TOKYO, January 21, 2016 \_ Ube Industries, Ltd. today announced that it has decided to switch to a new manufacturing process for cyclohexanone at the Ube Chemical Factory in Ube City, Yamaguchi Prefecture.

Cyclohexanone manufactured at the Ube Chemical Factory is mainly used as an intermediate material to make caprolactam (nylon 6 resin raw material), also manufactured at the Ube Chemical Factory.

Ube Industries has been implementing fundamental cost reductions and improvement of the captive consumption rate for the caprolactam, in order to improve the profitability of caprolactam and nylon business. As part of these efforts, the Company studied the adoption of an innovative new manufacturing process for cyclohexanone at the Ube Chemical Factory, deciding to build a new facility with a production capacity of 80 kilotonnes per year for completion in November 2017.

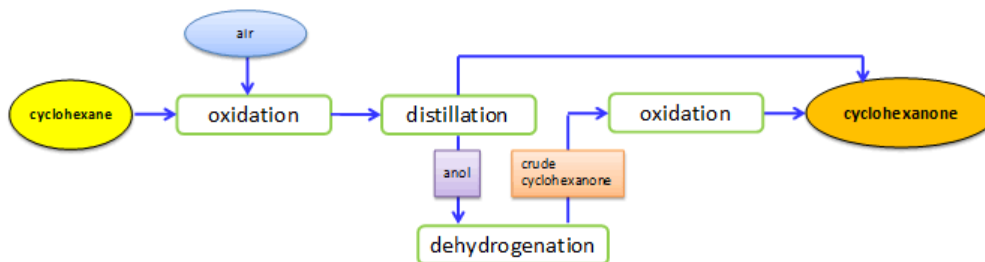
The new manufacturing process produces cyclohexanone through selective hydrogenation of phenol. The phenol process offers a number of advantages over the existing manufacturing process including a streamlined process, downsize equipment and higher yields of cyclohexanone from raw materials. In addition, the process consumes less steam and electricity, helping to reduce greenhouse gas emissions.

The change in manufacturing process also means that production of 1,6 hexanediol and 1,5 pentanediol will be discontinued at the Ube Chemical Factory. Ube Industries will continue to supply and market these products, importing them from the Company's subsidiary in Thailand, UBE Fine Chemicals (Asia) Co., Ltd.

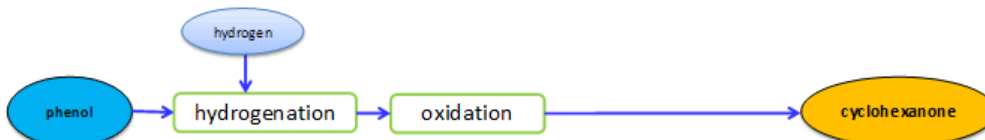
Ube Industries is pursuing a strategy to expand its nylon 6 business, aiming to become the world's leading supplier for extrusion applications such as food wrapping films, by delivering unsurpassed quality and stability. For injection applications such as automotive components, the Company will endeavor to build a global supply framework by expanding its network of compounding facilities. The new process will enhance the cost competitiveness of Ube Industries' caprolactam as a nylon 6 raw material, in aiming to further expand the nylon 6 business.

### Reference

#### Existing process



#### New process



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