

**Financial Results for the
2nd Quarter FY 2015**

October 30, 2015

UBE INDUSTRIES,LTD.

Contents

- **FY2015 2nd Quarter Consolidated Results**
- **FY2015 Consolidated Forecasts**
- **Appendix**

※This"2nd Quarter(2Q)" date states information for 6 month total.

FY2015 2nd Quarter Consolidated Results

Scope of Consolidation

- Financial Results for the 2nd Quarter FY2015 -

Item	End of FY2014 (A)	End of FY2015 2Q (B)	Change (B) - (A)	Notes
Number of consolidated subsidiaries	71	70	-1	+ Sanshin Tsusho Co., Ltd. - Advanced Electrolyte Technologies (USA) LLC - Advanced Electrolyte Technologies (Europe) S.L.
Number of equity method affiliates	24	25	1	+ Lotte Ube Synthetic Rubber SDN. BHD.
Total	95	95	0	

Environmental Factors

- Financial Results for the 2nd Quarter FY2015 -

(Billion Yen)

Item		FY2014 2Q (A)	FY2015 2Q (B)	Change (B) - (A)	Impacts on Consolidated OP Income
Exchange Rate	Yen/\$	103.0	121.8	18.8	1.0
Material Price	(CIF) Naphtha (Domestic)				
	\$/ t	962	541	-421	4.6
	Yen/KL	70,900	47,800	-23,100	(3.5)
	Benzene(ACP)				
	\$/ t	1,326	754	-572	9.3
	Benzene(USCP)				
	\$/ t	1,441	775	-666	(7.1)
	Australian Coal (CIF)				
	\$/ t	93.9	77.0	-16.9	2.2
	Yen/t	9,671	9,380	-291	(0.4)

() :Including impacts from fluctuation of exchange rate

Major P/L & B/S Items

- Financial Results for the 2nd Quarter FY2015 -

(Billion Yen)

Item	FY2014 2Q (A)	FY2015 2Q (B)	Change (B) - (A)
Sales	307.7	323.2	15.5
Operating income	6.2	20.5	14.2
Ordinary income	4.8	19.6	14.7
Profit attributable to owners of parent	0.0	13.7	13.6
Item	End of FY2014 (A)	End of FY2015 2Q (B)	Change (B) - (A)
Total assets	711.5	694.5	-16.9
Debt	239.7	228.9	-10.7
Net debt	202.7	198.9	-3.7
Equity capital *1	263.3	267.4	4.1

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

Sales by Segment

- Financial Results for the 2nd Quarter FY2015 -

(Billion Yen)

Segment	FY2014 2Q (A)	FY2015 2Q (B)	Change (B) - (A)	Major Factors
Chemicals	134.1	136.9	2.8	Nylon/Caprolactam chain $\Delta 0.4$, Synthetic rubber $\Delta 0.6$, Battery Materials and Fine Chemicals 3.2, Polyimide and Specialty Products $\Delta 0.2$, etc
Pharmaceutical	3.5	3.2	-0.3	
Cement & Construction Materials	109.9	118.2	8.2	Cement and Ready-mixed concrete 10.2, Construction materials and Limestone related products -1.3, etc
Machinery & Metal Products	35.2	34.0	-1.1	
Energy & Environment	30.7	37.2	6.5	Coal 0.7, Power 5.9, etc
Others	8.9	8.7	-0.1	
Adjustment	-14.8	-15.3	-0.4	
Total	307.7	323.2	15.5	Increased by 5.0%

The former Chemicals & Plastics segment and Specialty Chemicals & Products segment are included in the Chemicals segment as of April 1, 2015. Results for the FY2014 (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 2nd Quarter FY2015 -

(Billion Yen)

Segment	FY2014 2Q (A)	FY2015 2Q (B)	Change (B) - (A)	Major Factors
Chemicals	-3.3	6.3	9.7	Nylon/Caprolactam chain 7.5, Battery Materials and Fine Chemicals 1.5, Polyimide and Specialty Products 0.4, etc
Pharmaceutical	0.4	0.2	-0.2	
Cement & Construction Materials	7.1	9.8	2.6	Cement and Ready-mixed concrete 2.0, Construction materials and Limestone related products 0.7, etc
Machinery & Metal Products	0.6	1.7	1.1	
Energy & Environment	1.0	2.4	1.3	Coal 0.3, Power 0.9, etc
Others	0.4	0.4	0.0	
Adjustment	-0.1	-0.5	-0.3	
Total	6.2	20.5	14.2	Increased by 230.2%

Analysis of Operating Income

- Financial Results for the 2nd Quarter FY2015 -

(Billion Yen)

Segment	Operating Income						
	FY2014 2Q (A)	FY2015 2Q (B)	Change (B) - (A)	Price *1	Sales Volume	Fixed Cost	Others *2
Chemicals	-3.3	6.3	9.7	7.3	2.6	1.1	-1.3
Pharmaceutical	0.4	0.2	-0.2	-0.0	-0.7	-0.0	0.5
Cement & construction Materials	7.1	9.8	2.6	3.1	-0.7	-0.7	0.8
Machinery & Metal Products	0.6	1.7	1.1	0.8	-0.2	0.1	*3 0.4
Energy & Environment	1.0	2.4	1.3	-0.7	2.4	-0.4	0.1
Others	0.4	0.4	0.0	0.0	0.0	-0.0	0.1
Adjustment	-0.1	-0.5	-0.3	-	-	-0.3	-0.1
Total	6.2	20.5	14.2	10.6	3.4	-0.2	0.5

*1:Including both selling and purchase change *2:Including inventory valuation changes and lowest cost accounting

*3:Including marginal profit on machinery product 0.4

Non Operating Items

- Financial Results for the 2nd Quarter FY2015 -

(Billion Yen)

Item		FY2014 2Q (A)	FY2015 2Q (B)	Change (B) - (A)
Operating income		6.2	20.5	14.2
Non operating income	Net interest expense	-0.5	-0.4	0.0
	Equity in earnings of unconsolidated subsidiaries and affiliated companies	0.1	1.5	1.3
	Foreign currency gain/loss	0.4	-0.6	-1.0
	Others	-1.3	-1.2	0.0
	Total	-1.3	-0.8	0.4
Ordinary income		4.8	19.6	14.7

Extraordinary Items

- Financial Results for the 2nd Quarter FY2015 -

(Billion Yen)

Item		FY2014 2Q (A)	FY2015 2Q (B)	Change (B) - (A)
	Reversal of accrued expenses from business withdrawal	-	1.5	1.5
	Loss on disposal of PP&E	-1.1	-0.8	0.3
	Loss on impairment	-0.6	-0.1	0.5
	Loss on valuation of investment securities	-0.0	-0.3	-0.3
	Loss on business of subsidiaries and affiliates	-2.9	-0.4	2.5
	Loss on stop of equipment	-0.6	-	0.6
	Net extraordinary income/loss	-5.4	-0.0	5.3

Operating Income - Net Income

- Financial Results for the 2nd Quarter FY2015 -

(Billion Yen)

Item	FY2014 2Q (A)	FY2015 2Q (B)	Change (B) - (A)
Operating income	6.2	20.5	14.2
Non operating item	-1.3	-0.8	0.4
Ordinary income	4.8	19.6	14.7
Extraordinary item	-5.4	-0.0	5.3
Income before income tax and minority interest	-0.5	19.5	20.1
Income tax and Profit attributable to non-controlling interests	0.5	-5.8	-6.4
Profit attributable to owners of parent	0.0	13.7	13.6
Net income per share(Yen/Share)	0.04yen	12.96yen	12.92yen

Consolidated Balance Sheet

- Financial Results for the 2nd Quarter FY2015 -

(Billion Yen)

Item		End of FY2014 (A)	End of FY2015 2Q (B)	Change (B) - (A)
	Current assets	282.8	276.1	-6.6
	Fixed assets	428.5	418.2	-10.2
	Total assets	711.5	694.5	-16.9
	Interest-bearing debts	239.7	228.9	-10.7
	Other liabilities	182.2	173.6	-8.5
	Total liabilities	421.9	402.6	-19.2
	Equity capital *1	263.3	267.4	4.1
	Non Controlling Interests and others	26.2	24.4	-1.8
	Total net assets	289.6	291.9	2.3
Total liabilities and net assets		711.5	694.5	-16.9

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

Consolidated Statements of Cash Flows

- Financial Results for the 2nd Quarter FY2015 -

(Billion Yen)

Item	FY2014 2Q	FY2015 2Q	
A.Cash flows from operating activities	19.7	28.0	Income before income tax and minority interests 19.5, Depreciation and amortization 17.7, Workig capital -4.4 etc.
B.Cash flows from investing activities	-20.7	-16.8	Acquisition of PP&E -17.0, etc.
Free cash flows (A+B)	-1.0	11.1	
C.Cash flows from financing activities	2.9	-18.8	Dividends -5.5, etc.
D.Net increase/decrease in cash and cash equivalents	2.4	-6.9	
E.Cash and cash equivalents at end of the quarter	32.5	29.9	

FY2015 Consolidated Forecasts

Scope of Consolidation

- FY2015 Consolidated Forecasts -

Item	End of FY2014 (A)	End of FY2015 (B)	Change (B) - (A)	Notes
Number of consolidated subsidiaries	71	70	-1	First half : + Sanshin Tsusho Co., Ltd. - Advanced Electrolyte Technologies (USA) LLC - Advanced Electrolyte Technologies (Europe) S.L.
Number of equity method affiliates	24	25	1	First half : + Lotte Ube Synthetic Rubber SDN. BHD.
Total	95	95	0	

Environmental Factors

- FY2015 Consolidated Forecasts -

(Billion Yen)

Item		FY2014 (A)	FY2015 (B)	Change (B) - (A)	Impacts on Consolidated OP Income
Exchange Rate	Yen/\$	109.9	120.9 [120.0]	11.0	1.2
Material Price	(CIF) Naphtha (Domestic)				
	\$/ t	820	541 [540]	-279	6.6 (5.2)
	Yen/KL	63,400	47,400 [47,000]	-16,000	
	Benzene(ACP)				10.9 (8.3)
	\$/ t	1,090	762 [770]	-328	
	Benzene(USCP)				4.0 (1.9)
	\$/ t	1,162	788 [800]	-374	
	Australian Coal				
	\$/ t	90.8	75.7 [74.3]	-15.1	
	(CIF)				
	Yen/t	9,981	9,146 [8,915]	-835	

[] : numbers for the second half of the period only

() : including impacts from fluctuation of exchange rate

Major P/L & B/S Items

- FY2015 Consolidated Forecasts -

(Billion Yen)

Item	FY2014 (A)	FY2015 (B)	Change (B) - (A)
Sales	641.7	670.0	28.3
Operating income	24.1	39.0	14.9
Ordinary income	23.2	38.5	15.3
Profit attributable to owners of parent	14.6	21.0	6.4
Item	End of FY2014 (A)	End of FY2015 (B)	Change (B) - (A)
Total assets	711.5	710.0	-1.5
Debt	239.7	217.0	-22.7
Net debt	202.7	192.0	-10.7
Equity capital *1	263.3	275.0	11.7
Dividend(Yen /Share)	5.0	5.0	0.0

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

Sales by Segment

- FY2015 Consolidated Forecasts -

(Billion Yen)

Segment	FY2014 (A)	FY2015 (B)	Change (B) - (A)	Major Factors
Chemicals	280.1	287.0	6.9	Nylon/Caprolactam chain -4.0 Synthetic rubber 2.0 Battery Materials and Fine Chemicals 8.0, Polyimide and Specialty Products 1.4, etc
Pharmaceutical	7.8	9.5	1.7	
Cement & Construction Materials	222.4	240.0	17.6	Cement and Ready-mixed concrete 19.3 Construction materials and Quicklime related products -1.3, etc.
Machinery & Metal Products	78.9	76.0	-2.9	
Energy & Environment	66.7	72.0	5.3	Coal -0.7 Power 6.0
Others	17.3	15.5	-1.8	
Adjustment	-31.7	-30.0	1.7	
Total	641.7	670.0	28.3	Increased by 4.4%

Operating Income by Segment

- FY2015 Consolidated Forecasts -

(Billion Yen)

Segment	FY2014 (A)	FY2015 (B)	Change (B) - (A)	Major Factors
Chemicals	-0.9	11.0	11.9	Nylon/Caprolactam chain 8.5 Synthetic rubber -0.5 Battery Materials and Fine Chemicals 2.4, Polyimide and Specialty Products 2.2, etc
Pharmaceutical	0.9	1.2	0.3	
Cement & Construction Materials	17.0	19.0	2.0	Cement and Ready-mixed concrete 2.0 Construction materials and Quicklime related products 0.5, etc.
Machinery & Metal Products	4.3	5.0	0.7	
Energy & Environment	2.8	3.3	0.5	Coal -0.2 Power 0.7
Others	1.1	1.0	-0.1	
Adjustment	-1.1	-1.5	-0.4	
Total	24.1	39.0	14.9	Increased by 61.5%

Operating Income - Net Income

- FY2015 Consolidated Forecasts -

(Billion Yen)

Item	FY2014 (A)	FY2015 (B)	Change (B) - (A)
Operating income	24.1	39.0	14.9
Non operating item	-0.9	-0.5	0.4
Ordinary income	23.2	38.5	15.3
Extraordinary item	-4.7	-8.0	-3.3
Income before income tax and minority interest	18.4	30.5	12.1
Income tax and Profit attributable to non-controlling interests	-3.8	-9.5	-5.7
Profit attributable to owners of parent	14.6	21.0	6.4
Net income per share(Yen/Share)	13.85yen	19.85yen	6.00yen

Appendix

【Reference】 FY2015 Consolidated Forecasts

-Net Sales (comparisons to forecasts at the beginning of period, by segment)-

(Billion Yen)

Segment	Beginning forecasts (A) published May 12, 2015	Revised forecasts (B) published Oct 15, 2015	Change (B) - (A)	Major Factors
Chemicals	292.0	287.0	-5.0	Nylon/Caprolactam chain -3.1 Synthetic rubber 0.5 Battery Materials and Fine Chemicals -0.5, Polyimide and Specialty Products -2.2, etc
Pharmaceutical	9.5	9.5	0.0	
Cement & Construction Materials	242.0	240.0	-2.0	Cement and Ready-mixed concrete -2.9 Construction materials and Quicklime related products 1.1, etc.
Machinery & Metal Products	83.5	76.0	-7.5	
Energy & Environment	72.5	72.0	-0.5	Coal -0.5 Power -0.1, etc
Others	14.0	15.5	1.5	
Adjustment	-28.5	-30.0	-1.5	
Total	685.0	670.0	-15.0	Decreased by 2.2%

【Reference】 FY2015 Consolidated Forecasts

-Operating Income (comparisons to forecasts at the beginning of period, by segment)-

(Billion Yen)

Segment	Beginning forecasts (A) published May 12, 2015	Revised forecasts (B) published Oct 15, 2015	Change (B) - (A)	Major Factors
Chemicals	9.5	11.0	1.5	Nylon/Caprolactam chain 1.3 Synthetic rubber 0.3 Polyimide and Specialty Products 0.3, etc
Pharmaceutical	1.5	1.2	-0.3	
Cement & Construction Materials	17.5	19.0	1.5	Cement and Ready-mixed concrete 0.7 Construction materials and Quicklime related products 0.8, etc.
Machinery & Metal Products	5.0	5.0	0.0	
Energy & Environment	3.0	3.3	0.3	Coal 0.1 Power 0.1, etc
Others	1.0	1.0	0.0	
Adjustment	-1.5	-1.5	0.0	
Total	36.0	39.0	3.0	Increased by 8.3%

【Reference】 FY2015 Changes in results - Sales by Segment -

Segment	FY2015					(Billion Yen)	
	1Q	2Q	3Q	4Q	Total	Full-year Forecast	Progress %
Chemicals	70.0	66.9	-	-	136.9	287.0	47.7%
Pharmaceutical	1.7	1.4	-	-	3.2	9.5	34.4%
Cement & Construction Materials	58.9	59.3	-	-	118.2	240.0	49.3%
Machinery & Metal Products	14.3	19.7	-	-	34.0	76.0	44.8%
Energy & Environment	20.4	16.8	-	-	37.2	72.0	51.8%
Others	4.3	4.4	-	-	8.7	15.5	56.7%
Adjustment	-8.4	-6.8	-	-	-15.3	-30.0	-
Total	161.3	161.8	-	-	323.2	670.0	48.2%

【Reference】 FY2015 Changes in results - Operating Income by Segment -

Segment	FY2015					(Billion Yen)	
	1Q	2Q	3Q	4Q	Total	Full-year Forecast	Progress %
Chemicals	3.5	2.8	-	-	6.3	11.0	58.1%
Pharmaceutical	-0.0	0.2	-	-	0.2	1.2	18.3%
Cement & Construction Materials	4.2	5.5	-	-	9.8	19.0	51.6%
Machinery & Metal Products	0.6	1.1	-	-	1.7	5.0	36.0%
Energy & Environment	1.4	0.9	-	-	2.4	3.3	72.9%
Others	0.2	0.2	-	-	0.4	1.0	43.2%
Adjustment	-0.4	-0.0	-	-	-0.5	-1.5	-
Total	9.5	10.9	-	-	20.5	39.0	52.6%

【Reference】 Major data

- Financial Results for the 2nd Quarter FY2015 -

(Billion Yen)

Item	FY2014 2Q	FY2015 2Q	FY2015 full-year Forecast	FY2014 full-year
Capital investment	20.0	13.7	38.0	42.5
Depreciation and amortization	16.2	17.7	36.5	33.5
R&D expense	7.0	6.5	14.0	13.8
Adjusted operating profit	7.1	22.6	42.0	26.6
Debt	255.0	228.9	217.0	239.7
Net debt	222.5	198.9	192.0	202.7
Equity capital	241.4	267.4	275.0	263.3
Total assets	709.0	694.5	710.0	711.5
Net D/E Ratio (times)	0.92	0.74	0.70	0.77
Equity Ratio (%)	34.1	38.5	38.7	37.0
Operating margin (%)	2.0	6.3	5.8	3.8
Return on Assets [ROA] (%)	-	-	5.9	3.8
Return on Equity [ROE] (%)	-	-	7.8	5.8
number of employees	11,261	10,819	10,800	10,702

【Reference】 Major Subsidiaries

- Financial Results for the 2nd Quarter FY2015 -

(Billion Yen)

Subsidiaries and Affiliates	Business	Sales FY2015 2Q	Operating income change from FY2014 2Q
UBE CHEMICALS (ASIA) PUBLIC CO., LTD	Manufacture and sales of caprolactam and polyamide resin	21.8	↑
UBE CHEMICAL EUROPE, S.A.	Manufacture and sales of caprolactam, ammonium sulfate and fine chemicals	17.1	↑
THAI SYNTHETIC RUBBERS CO., LTD.	Manufacture and sales of polybutadiene	5.9	↓
UBE ENGINEERING PLASTICS, S.A.	Manufacture and sales of polyamide resin	6.3	→
UBE AMMONIA INDUSTRY, LTD.	Manufacture and sales of ammonia	7.2	↑
UBE FILM, LTD.	Manufacture and sales of plastic-film products	4.5	↑
UBE EXSYMO CO.,LTD	Manufacture and sales of electronics & IT materials, FRP, industrial materials and fiber-reinforced plastics	6.0	↑
UBE CONSTRUCTION MATERIALS SALES CO., LTD.	Sales of cement, ready-mixed concrete and construction materials	27.3	↓
UBE MATERIAL INDUSTRIES,LTD.	Manufacture and sales of Mangesium, Limestone products	19.4	↑
UBE SHIPPING & LOGISTICS, LTD.	Coastal Shipping, Harbor Transport Business, Container Business, Trading Business and Technological Consultant Business	11.5	↑
SANSHIN TSUSHO Co., Ltd. (New)	Sales of cement, ready-mixed concrete and construction materials	10.3	↑
Consolidated subsidiaries dealing ready-mixed concrete	Manufacture and sales of ready-mixed concrete	19.6	↑
UBE MACHINERY CORPORATION, LTD.	Manufacture and sales of industrial machinery and bridges	20.1	↑
UBE STEEL CO., LTD.	Manufacture and sales of cast iron, steel products and rolled steel billets	8.8	↑
UBE C&A CO., LTD.	Sales of imported steaming coal from Australia and other countries	15.6	→

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



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