



October 16, 2014

Company name: Ube Industries, Ltd.  
 Security code: 4208 (shares listed on First Section of Tokyo Stock Exchange and Fukuoka Stock Exchange)  
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## Ube Industries Announces Revised Earnings Forecasts

Ube Industries has revised its earnings forecasts previously announced on May 12, 2014. The changes are described below.

### 1. Revised Earnings Forecast for the First Two Quarters of the Fiscal Year ending March 31, 2015 (April 1, 2014 to September 30, 2014)

Consolidated (Unit: Billions of yen except per share data)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
Previous forecast (A)	320.0	9.0	6.0	2.5	2.36
Revised forecast (B)	308.0	6.0	4.7	0	0.00
Change (B-A)	-12.0	-3.0	-1.3	-2.5	
Percent change	-3.8	-33.3	-21.7	-100.0	
Previous fiscal year	310.8	9.0	6.7	6.6	6.54

### 2. Revised Earnings Forecast for the Full Year of the Fiscal Year ending March 31, 2015 (April 1, 2014 to March 31, 2015)

Consolidated (Unit: Billions of yen except per share data)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
Previous forecast (A)	670.0	30.0	24.0	13.5	12.76
Revised forecast (B)	660.0	26.0	22.0	12.5	11.82
Change (B-A)	-10.0	-4.0	-2.0	-1.0	
Percent change	-1.5	-13.3	-8.3	-7.4	
Previous fiscal year	650.5	24.4	18.6	12.6	12.16

### 3. Reasons for the Revision

(First Two Quarters Forecast)

Market conditions for caprolactam (raw material of nylon) were slow, while there was stagnant growth of sales volumes for specialty chemicals and products. In machinery segment, there was an impact of the recognition of sales carried forward to second half of this fiscal year. Additionally, Ube Industries will record a consolidated extraordinary loss for the first two quarters of the Fiscal Year ending March 31, 2015 based on the dissolution of its subsidiary, Ube Board Co., Ltd as announced on September 30, 2014. As a result, net sales and income are expected to be lower than previously forecasted.

(Full-Year Forecast)

Although the shipment of construction material (including cement and ready-mix concrete) are steady, delayed recovery of chemical segments due to stagnant market conditions for caprolactam, and specialty chemicals and products is expected to continue after the third quarter of this fiscal year. As a result, net sales and income are expected to be lower than previously forecasted.

The impact of the extraordinary loss due to dissolution of its subsidiary, Ube Board Co., Ltd for the fiscal year ending March 31, 2015 will be negligible. As Ube Industries announced in the news release 'UBE Announces Dissolution of Subsidiary and Extraordinary Loss' on September 30th, 2014, the company can acquire the tax benefit from recording allowance for bad debts in previous years and UBE Industries has also estimated a certain amount of restructuring charges in its earnings forecast.

The dividend forecast is unchanged (5 yen per share).

## (Reference) Consolidated Net Sales and Operating Income by Segment

(Unit: Billions of yen)

Item	Segment	Fiscal Year Ending March 31, 2015						The Previous Fiscal Year	
		Previous Forecast (A)		Revised Forecast (B)		Change (B)-(A)		Results	
		First Two Quarters	Full-Year	First Two Quarters	Full-Year	First Two Quarters	Full-Year	First Two Quarters	Full-Year
Net Sales	Chemicals & Plastics	109.0	227.0	103.0	225.0	-6.0	-2.0	109.7	230.5
	Specialty Chemicals & Products	34.0	73.0	31.0	66.5	-3.0	-6.5	32.0	63.1
	Pharmaceuticals	4.5	10.0	3.5	8.0	-1.0	-2.0	4.1	9.7
	Cement & Construction Materials	112.0	228.0	110.0	226.0	-2.0	-2.0	106.9	223.5
	Machinery & Metal Products	36.0	77.0	35.0	79.0	-1.0	2.0	34.8	75.5
	Energy & Environment	30.0	64.0	30.0	66.0	0	2.0	27.7	59.0
	Others	14.5	31.0	15.5	29.5	1.0	-1.5	13.9	28.8
	Adjustment	-20.0	-40.0	-20.0	-40.0	0	0	-18.5	-39.8
	Total	320.0	670.0	308.0	660.0	-12.0	-10.0	310.8	650.5
Operating Income	Chemicals & Plastics	-1.5	4.5	-2.3	2.5	-0.8	-2.0	-2.0	0.8
	Specialty Chemicals & Products	0.5	1.0	-1.2	-1.0	-1.7	-2.0	0.4	-0.4
	Pharmaceuticals	0.5	1.7	0.5	1.0	0	-0.7	0.4	1.6
	Cement & Construction Materials	7.0	15.5	7.1	16.5	0.1	1.0	6.8	15.5
	Machinery & Metal Products	1.5	4.5	0.7	4.5	-0.8	0	2.3	4.4
	Energy & Environment	1.0	2.5	1.0	2.3	0	-0.2	0.6	1.9
	Others	0.3	1.0	0.4	1.0	0.1	0	0.4	1.0
	Adjustment	-0.3	-0.7	-0.2	-0.8	0.1	-0.1	0	-0.6
	Total	9.0	30.0	6.0	26.0	-3.0	-4.0	9.0	24.4

Note: The above earnings forecasts are based on certain assumptions judged to be reasonable by the Company when preparing this document. Actual results can vary significantly from forecasts, due to changes in a wide variety of conditions.