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Ube Industries Announces Recording of Impairment Loss and Revised Earnings Forecasts

TOKYO, April 28, 2016 — Ube Industries, Ltd. today announced that it will record an impairment loss (extraordinary loss) for the polyimide business and other businesses in its consolidated results for fiscal 2015, the fiscal year ended March 31, 2016. In conjunction with this, Ube Industries has revised its earnings forecasts for fiscal 2015, previously announced on October 15, 2015, based on recent earnings trends. The changes are described below.

1. Recording of Impairment Loss (Extraordinary Loss)

The Company will record a total impairment loss of ¥8,711 million in the fourth quarter as an extraordinary loss. This includes an impairment loss of ¥5,861 million relating to fixed assets in the polyimide business, due to the continued slump in its profitability in recent years and the outlook for earnings. The total impairment loss recorded by the Company will also include an impairment loss at AET Electrolyte Technologies (Zhangjiagang) Co., Ltd., which is a consolidated subsidiary of the Company in China.

2. Revised Earnings Forecast

(1) Revised Earnings Forecast for the Full Year of the Fiscal Year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(In millions of yen except where noted)

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of the Parent	Net Income per Share (Yen)
Previous forecast (A) (Announced on October 15, 2015)	670,000	39,000	38,500	21,000	19.85
Revised forecast (B)	641,700	41,400	39,600	19,100	18.05
Change (B-A)	−28,300	+2,400	+1,100	−1,900	
Percent change	−4.2	+6.2	+2.9	−9.0	
Previous fiscal year (ended March 2015)	641,759	24,147	23,228	14,649	13.85

(2) Reasons for the Revision

Due in part to the decline in the price of raw fuels such as coal and crude oil, net sales will underperform the previous forecast, while operating income will exceed the previous forecast. There have been transfers between non-operating income and extraordinary income/loss in ordinary income, which are expected to exceed the previous forecast.

Meanwhile, net income attributable to owners of the parent is expected to be lower than the previous forecast, which is partly due to the recording of the impairment loss in described in section 1 above.

The dividend forecast of ¥5 per share is unchanged.

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.