Company name: Ube Industries, Ltd.
Representative: Yuzuru Yamamoto
President and Representative Director
Security code: 4208 (shares listed on First Section of Tokyo Stock Exchange and Fukuoka Stock Exchange)
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Ube Industries Announces Revisions to Amount and Details of Stock Option Compensation for Directors

TOKYO, May 11, 2016 — Ube Industries, Ltd. today announced that the Board of Directors meeting held today resolved to submit a proposal on revisions to the amount and details of the stock option compensation, etc. for the Company's directors (excluding outside directors) to the Company's 110th Ordinary General Meeting of Shareholders scheduled to be held on June 29, 2016.

1. Reason for the Proposal

The Company had already decided to allot stock options for the stock-linked compensation plan with paid-in capital of 1 yen per share delivered upon the exercise of Stock Acquisition Rights. The aim of this move was to raise the motivation and morale in order to improve the Company's share price and business performance by linking a portion of the compensation of its directors (excluding outside directors) to the share price so that they share a greater common interest with the Company's shareholders.

Now the Company aims to further increase the link between the compensation of its directors (excluding outside directors) and its medium and long-term business performance and corporate value. The Company will seek approval of revisions to the amount and the details of the stock option compensation, etc. for the directors in order to vary the number of stock options allotted to directors (excluding outside directors) in the fiscal year following the end of the relevant period of the Medium-Term Management Plan according to the level of achievement of certain key indicators set forth by the Company under the plan.

2. Specific Details of Stock Acquisition Rights as Stock Options

(1) Type and Number of Shares That Are the Object of Stock Acquisition Rights

The type of shares that are the object of Stock Acquisition Rights shall be ordinary shares of the Company. The number of shares for each Stock Acquisition Right ("Number of Granted Shares") shall be 1000 shares. However, if a share-split (includes gratis allotment of ordinary shares of the Company; the same shall apply below regarding the descriptions of share-split) or a reverse share-split is conducted for ordinary shares of the Company on or after the date of resolution of this proposal ("Resolution Date"), the Number of Granted Shares shall be adjusted by applying the following formula, with fractions of less than one share rounded down to the nearest one share.

> Number of Granted Shares after adjustment = Number of Granted Shares before adjustment x Ratio of share-split/reverse share-split

In addition to the above case, in the event that an adjustment of the Number of Granted Shares is necessary on or after the Resolution Date in the case that the Company implements a merger, a company

split, or an equivalent case, the Company shall carry out the adjustment appropriately to the extent deemed reasonable. In the event that the Company changes the number of its ordinary shares in a trading unit (excludes where a share-split or reverse share-split is involved; the same applies to descriptions of the number of shares in a trading unit below) on or after the Resolution Date, the Company may make a reasonable adjustment to the Number of Granted Shares proportional to the relevant change in the number of shares in a trading unit with respect to the Stock Acquisition Rights resolved for issuance by the Board of Directors on or after the effective date of the relevant change in the number of shares in a trading unit.

(2) Total Number of Stock Acquisition Rights

The total number of 240 Stock Acquisition Rights to be allotted to the directors (excluding outside directors) shall be the maximum number of Stock Acquisition Rights allotted on a date within one year of the date of the Ordinary General Meeting of Shareholders relating to each business year. However, in the event that the Number of Granted Shares is adjusted in conjunction with a change in the number of the Company's ordinary shares in a trading unit, the Company may make a reasonable adjustment to the total number of Stock Acquisition Rights proportional to the relevant adjustment.

(3) Paid-in Value of Stock Acquisition Rights

The paid-in value of each Stock Acquisition Right shall be the amount determined by the Board of Directors based on the fair value of the Stock Acquisition Rights calculated using a fair calculation method such as the Black-Scholes model upon the allotment of the Stock Acquisition Rights.

(4) Amount of Assets Contributed on Exercise of Stock Acquisition Rights

The amount of assets contributed upon exercise of each Stock Acquisition Right is calculated by multiplying the paid-in value of 1 yen per share delivered upon exercise of each Stock Acquisition Right by the Number of Granted Shares.

(5) Exercise Period of the Stock Acquisition Rights

The exercise period of the Stock Acquisition Rights shall be within 25 years from the next day of the date when the Stock Acquisition Rights are allotted and shall be determined by the Board of Directors.

(6) Restriction on Acquiring Stock Acquisition Rights by Assignment

Acquisition of Stock Acquisition Rights by assignment shall require approval by a resolution of the Board of Directors.

(7) Conditions for Exercise of Stock Acquisition Rights

A holder of Stock Acquisition Rights may exercise Stock Acquisition Rights from the next day when such holder no longer holds a position as a Director and/or an Executive Officer. Other conditions for the exercise of Stock Acquisition Rights shall be determined by the Board of Directors.

(Reference)

The Company intends to issue Stock Acquisition Rights with the same details as the Stock Acquisition Rights described above to its executive officers after the conclusion of the Ordinary General Meeting of Shareholders.