October 26, 2016

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 for the fiscal year ending March 31, 2017, previously announced on May 11, 2016. The changes are described below.

1 Revised Earnings Forecast for the First Half of the Fiscal Year ending March 31, 2017 (April 1, 2016 to September 30, 2016)

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) | 310.0 | 9.0 | 8.0 | 5.0 | 4.73 |
| Revised forecast (B) | 281.0 | 11.5 | 10.3 | 7.1 | 6.71 |
| Change (B-A) | -29.0 | 2.5 | 2.3 | 2.1 | |
| Percent change | -9.4 | 27.8 | 28.8 | 42.0 | |
| Previous fiscal year | 323.2 | 20.5 | 19.6 | 13.7 | 12.96 |

2 Revised Earnings Forecast for the Full Year of the Fiscal Year ending March 31, 2017 (April 1, 2016 to March 31, 2017)

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) | 655.0 | 35.0 | 33.0 | 20.0 | 18.90 |
| Revised forecast (B) | 610.0 | 35.0 | 33.0 | 20.0 | 18.90 |
| Change (B-A) | -45.0 | 0.0 | 0.0 | 0.0 | |
| Percent change | -6.9 | 0.0 | 0.0 | 0.0 | |
| Previous fiscal year | 641.7 | 41.4 | 39.6 | 19.1 | 18.06 |

3 Reasons for the Revision

(First half of the fiscal year ending March 31, 2017)

Net sales were lower than the previous projection due to currency factors (strength of the yen) and lower prices for fuel and raw materials. However, operating income is projected to be higher than the previous forecast, due to larger spreads between prices of products and main raw materials for caprolactam used to make nylon, lower prices for auxiliary materials, higher sales volumes for battery materials, and delays in recording costs in various businesses. Ordinary income and quarterly net income attributable to parent are also projected to exceed the previous forecast.

(Fiscal year ending March 31, 2017)

Net sales and income for the second half of the fiscal year ending March 31, 2017 are projected to be lower than the initial forecast. The contributing factors are projections for a continued strong yen and rising prices for fuel and raw materials, together with increasing uncertainty over the global economy including the deceleration of the Chinese economy and increasingly severe business conditions. For the full-year forecast, net sales are projected to be lower than the previous forecast, while the income forecast is carried over from the previous forecast.

The dividend forecast remains unchanged.

(Reference) Consolidated Net Sales and Operating Income by Segment (Unit: Billions of yen)

| Item | Segment | Fiscal Year Ending March 31, 2017 | | | | | | The Previous Fiscal Year ended March 31. 2016 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Previous Forecast | | Revised Forecast | | Change | | Result | |
| | | First Half (A) | Full Year (B) | First Half (C) | Full Year (D) | First Half (C)-(A) | Full Year (D)-(B) | First Half | Full Year |
| Net Sales | Chemicals | 133.0 | 278.0 | 118.0 | 250.0 | −15.0 | −28.0 | 136.9 | 266.7 |
| | Pharmaceutical | 4.5 | 10.0 | 4.5 | 10.0 | 0.0 | 0.0 | 3.2 | 9.2 |
| | Cement & Construction Materials | 115.0 | 238.0 | 110.0 | 230.0 | −5.0 | −8.0 | 118.2 | 237.3 |
| | Machinery | 31.0 | 74.0 | 26.5 | 68.0 | −4.5 | −6.0 | 34.0 | 73.4 |
| | Energy & Environment | 31.5 | 65.0 | 26.5 | 60.0 | −5.0 | −5.0 | 37.2 | 69.0 |
| | Others | 8.0 | 16.0 | 7.0 | 14.0 | −1.0 | −2.0 | 8.7 | 16.7 |
| | Adjustment | −13.0 | −26.0 | −11.5 | −22.0 | 1.5 | 4.0 | −15.3 | −30.9 |
| | Total | 310.0 | 655.0 | 281.0 | 610.0 | −29.0 | −45.0 | 323.2 | 641.7 |
| Operating Income | Chemicals | −1.0 | 9.0 | 0.5 | 9.0 | 1.5 | 0.0 | 6.3 | 12.0 |
| | Pharmaceutical | 0.5 | 1.0 | 1.1 | 1.5 | 0.6 | 0.5 | 0.2 | 1.1 |
| | Cement & Construction Materials | 7.5 | 18.0 | 7.4 | 17.5 | −0.1 | −0.5 | 9.8 | 19.8 |
| | Machinery | 0.5 | 4.0 | 0.8 | 4.0 | 0.3 | 0.0 | 1.7 | 4.6 |
| | Energy & Environment | 1.5 | 3.5 | 1.7 | 3.5 | 0.2 | 0.0 | 2.4 | 3.8 |
| | Others | 0.5 | 1.0 | 0.3 | 1.0 | −0.2 | 0.0 | 0.4 | 1.1 |
| | Adjustment | −0.5 | −1.5 | −0.2 | −1.5 | 0.3 | 0.0 | −0.5 | −1.2 |
| | Total | 9.0 | 35.0 | 11.5 | 35.0 | 2.5 | 0.0 | 20.5 | 41.4 |

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.