

UBE Group CSR Report 2009

Focusing on Harmonious Coexistence
with All Stakeholders



09



UBE INDUSTRIES, LTD.

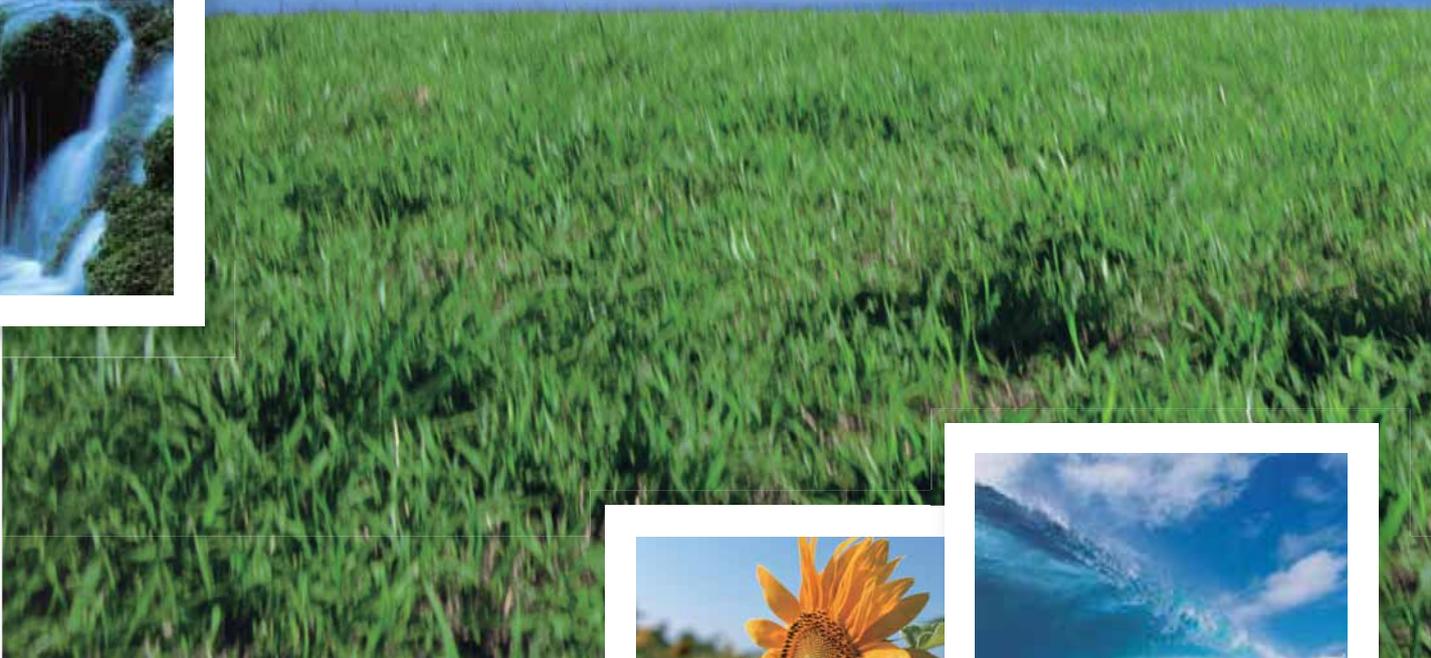
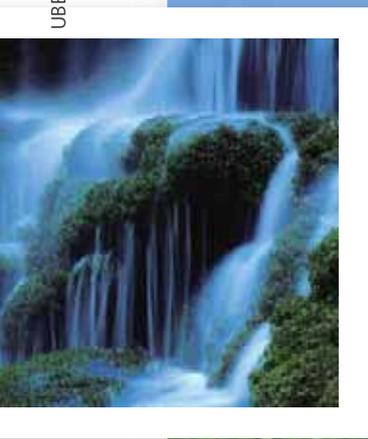


For Global Environmental Preservation

● For the Children in the Future; for a Bright, Habitable Planet

Global expectations are growing for the roles—such as the development of environmental technologies—that companies will play through their key businesses in solving serious global environmental issues, including global warming. Since 1951, the UBE Group has been proactively implementing global environmental measures, including so-called “the Ube City’s environmental program,” which tackles pollution problems through cooperation among industry, government, academia and citizens. In addition, based on proprietary technologies that have been accumulated more than 110 years, the UBE Group has developed innovative technologies and products that contribute to environmental preservation in a variety of forms.

Under the terms of the Kyoto Protocol, Japan’s 2008–2012 target for reduction in greenhouse gas emissions was 6% (compared with 1990). In response, UBE set its own Group-wide reduction target of 12%, which it attained ahead of schedule in fiscal 2008 through such methods as saving energy, switching fuels and utilizing wastes. The Group has decided to make “living and prospering together with our neighbors” its corporate philosophy. For this reason, it deems environmental management aimed at sustainable development on a global scale to be of paramount importance for realizing “harmonious coexistence” with all stakeholders.







Striving for Sustainable Growth

With Shareholders

Improving Corporate Value by Manufacturing Products with a Global Presence

Over a period spanning 111 years, the UBE Group has been utilizing its proprietary technologies to develop the wide range of innovative products that the times have demanded. Based on this platform of accumulated technologies, UBE continues pursuing R&D on a daily basis to create new products.



● Aiming for Rapid Strategic Growth Business Segmentation of Developing Businesses

Under its "Stage Up 2009" mid-term management plan, the UBE Group is breaking down each of its business segments into four portfolios: core platform, strategic growth, developing business and rebuilding businesses. The aim is to rapidly shift pharmaceuticals, specialty inorganic materials and aerospace materials—all of which have been positioned in the developing segment—to the strategic growth segment, which holds the promise of growth on a global scale.

Creating New Drugs with Proprietary Technologies

Two agents have been launched onto the market: the antiallergic agent *TALION*, jointly developed with Mitsubishi Tanabe Pharma Corporation, and the hypertension drug *CALBLOCK*, jointly developed with Daiichi Sankyo Co., Ltd. Much is expected, too, of the anti-thrombotic blockbuster drug *EFFIENT* (generic name prasugrel), jointly developed with Daiichi Sankyo and Eli Lilly and Company. Sales of *EFFIENT* have commenced in Europe and the United States, the drug having received marketing approvals from the European Commission and the U.S. Food and Drug Administration.

Orchestrating Group Strengths

Specialty organic materials, such as silicon nitride, photocatalytic fibers and high-purity calcia and magnesia, are developed by certain UBE Group companies. By accelerating collaboration between the companies and enhancing the product lineup, the aim is to increase net sales from ¥10 billion in fiscal 2007 to ¥24 billion in fiscal 2012.

Entering the Aerospace Field with Leading-Edge Materials

UBE is signing agreements with major aircraft makers covering the joint development of new materials for aircraft applications. Utilizing the advanced technologies that UBE has accumulated in the aerospace materials field and a highly heat-resistant matrix resin (jointly developed by UBE and the U.S. National Aeronautics and Space Administration), progress is being made in the development of a new heat-resistant composite material. This material, which will reduce the weight of the airframe structure around engines, is also intended to bring down costs.

Striving for Sustainable Growth

With Customers and Suppliers

Providing Safe, High-Quality Products and Technologies That Are Useful for Society

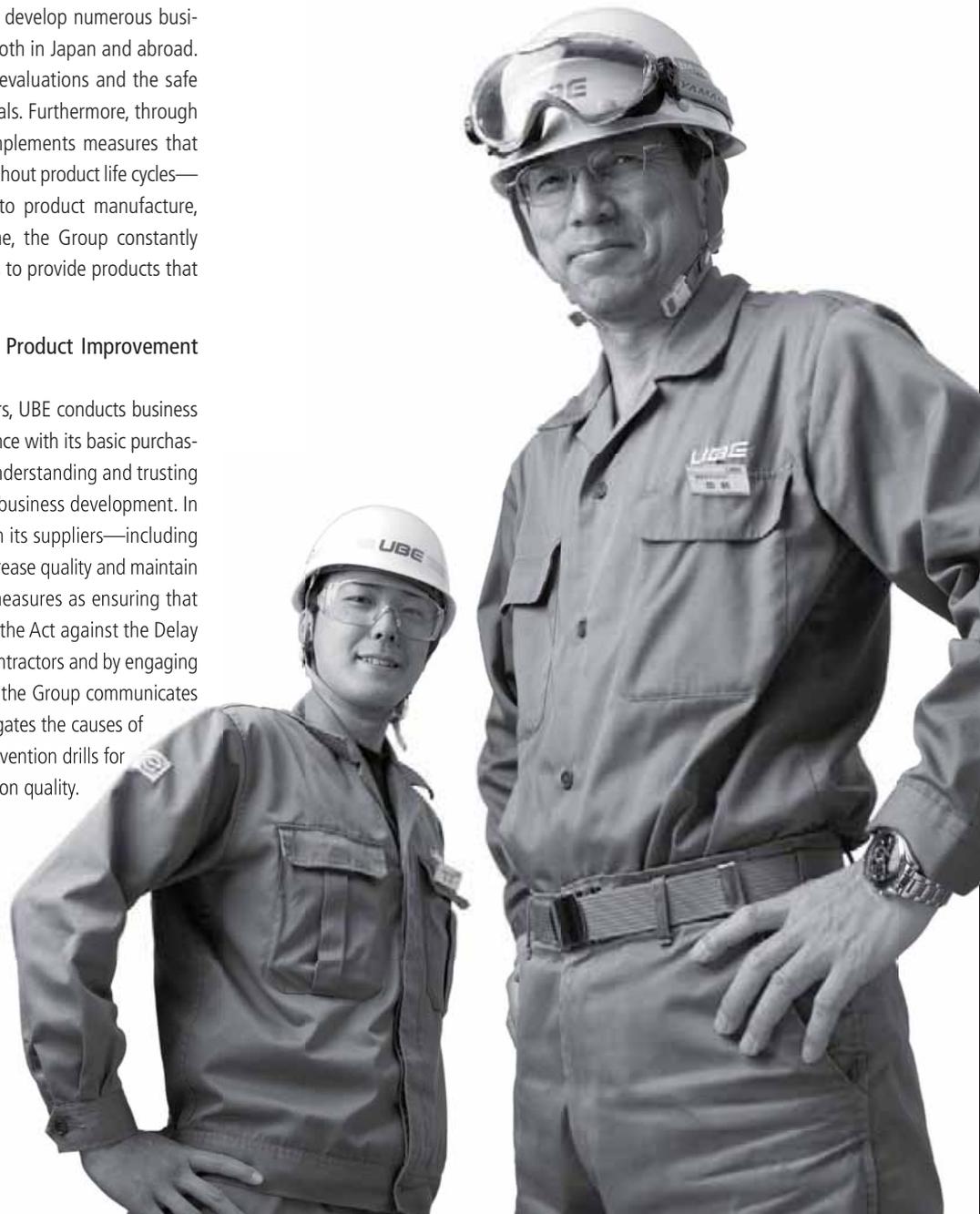
UBE aims to be a company that has earned the trust of customers and suppliers by developing safe, high-quality and environment-friendly products and technologies that enrich the lives of all people as well as by faithfully undertaking business transactions that are fair and unbiased.

- **Providing Customers with Safe, High-Quality Products that Have Minimal Environmental Impact**

Used in a wide array of fields—from aerospace and information electronics to automobiles, social infrastructure and daily consumer items—UBE Group products are developed from a global perspective and feature a high degree of originality. These products allow the Group to develop numerous businesses in which it maintains a strong presence, both in Japan and abroad. For this reason, UBE places emphasis on safety evaluations and the safe management of substances, centering on chemicals. Furthermore, through its responsible care activities, UBE voluntarily implements measures that consider the environment, safety and health throughout product life cycles—from the development of chemical substances to product manufacture, distribution, use and disposal. At the same time, the Group constantly seeks improvements and makes concerted efforts to provide products that are safe and secure.

- **Fair Business Transactions with Suppliers, Product Improvement and Safety Assurance**

Considering suppliers to be good business partners, UBE conducts business transactions that are fair and unbiased in accordance with its basic purchasing policies as it strives to further foster mutual understanding and trusting relations with the aim of sustaining each other's business development. In addition, the UBE Group is working together with its suppliers—including partner companies—to strengthen its ability to increase quality and maintain safety. This is accomplished by promoting such measures as ensuring that all employees fully comprehend and comply with the Act against the Delay in Payment of Subcontract Proceeds, etc., to Subcontractors and by engaging in green procurement activities. At the same time, the Group communicates and exchanges transportation information, investigates the causes of transportation accidents and conducts disaster prevention drills for the drivers of tankers in order to improve distribution quality.







Striving for Sustainable Growth

With Employees and Local Communities

Growing and Developing Together through Smooth, Two-Way Communication

In addition to the utilization and development of diverse human resources through its business bases in Japan and overseas, the UBE Group works to maintain a harmonious existence between its employees and local society. The Group achieves this by proactively undertaking corporate social responsibility (CSR) activities at each of its bases and through communication with the local societies that surround them.

● Creating Wide-Ranging Employment Opportunities

Amid a diversifying employment market, the UBE Group creates wide-ranging employment opportunities, which involves not only the occasional recruitment of new graduates but also the reemployment of retired workers and the employment of people with disabilities as well as mid-career workers.

Moreover, UBE is contributing to the creation of local employment opportunities not only in Japan but also at its overseas bases, such as those in Spain, Thailand and China.

● Human Resource Development and the Creation of Pleasant Workplace Environments

The UBE Group gives top priority to human resources among its management assets and is committed to developing skilled professionals. Moreover, in addition to employees maintaining their physical and mental wellbeing and the creation of pleasant workplace environments that empower active involvement, the Company works to imbue a Groupwide culture of safety through such means as environmental safety training.

● Involvement with Local Society

Engaged in the materials manufacturing industry, with production facilities located in Japan and overseas, the UBE Group finds smooth, two-way communication with local society indispensable. As a result, concerning such aspects as UBE's business description and efforts to reduce its environmental impact, the Group works to gain the understanding of local people by offering tours of factories, business sites and UBE-i-Plaza, a facility that provides comprehensive information on UBE's operations.

In addition to taking part enthusiastically in a variety of local activities in the countries in which its bases are located—for example, by lending its support to sporting and cultural events—the Group creates many opportunities for coming into active contact with local residents and works to deepen mutual understanding.



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Editorial Policy

We began publishing our annual RC report in 1997 to introduce our environmental initiatives. We subsequently changed the name of the report to the CSR report. This year, 12 years after the very first publication of the report, we have created the *UBE Group CSR Report 2009* as our fifth CSR report. In editing this CSR report, we have been committed to ensuring its accuracy and intelligibility. The 2009 edition adheres to the following policies:

- Enhance interactive communication
To clearly show how the people outside the UBE Group view the Group and to identify new CSR-related issues for the Group, we included more opinions from third parties in the report. Through this, we aim to realize interactive communication.
- Emphatically communicate the ethos of "living and prospering together with our neighbors"
In order to communicate more effectively the UBE Group's position of aiming for sustainable growth through coexistence with each stakeholder, feature articles have been added that illustrate the Group's stance with greater clarity.
- Create an easy-to-read page format
We structured this report to feature content and a design that are easy-to-read in order to make it satisfactory to all our stakeholders. We received certification from Color Universal Design.

This report was created mainly by editing members comprising staff of the Environment & Safety Department, which is in charge of Responsible Care (RC) activities, the CSR Promotion Secretariat and the CSR Department. We will implement more measures for the "strengthening of CSR activities" to meet the expectations of the majority of our stakeholders, while continuing to report the UBE Group's CSR activities in an appropriate manner.

Scope of This Report

Period covered:

Fiscal 2008 (from April 1, 2008 to March 31, 2009)

(The report, however, does at times refer to activities conducted in fiscal 2009 and future plans.)

Companies covered:

- The UBE Group (145 companies)
 - Of which, the following companies are covered in the reporting of major financial data (on page 16):
Ube Industries, Ltd. and its consolidated companies (92)
Consolidated subsidiaries: 65
Equity method affiliates: 27
 - Of which, the following companies are covered in the reporting of environmental performance data:
Ube Industries, Ltd.
Three chemical factories (Chiba, Ube and Sakai)
Three cement factories (Ube, Isa, and Kanda)
Ube Aluminum Wheel Factory (currently Ube Aluminum Wheels, Ltd.)
Other Group companies (10)
Ube Film, Ltd.
Ems-Ube, Ltd.
Ube Ammonia Industry, Ltd.
UBE-MC Hydrogen Peroxide, Ltd.
Ube-Nitto Kasei Co., Ltd.
Meiwa Plastic Industries, Ltd.
Ube Material Industries, Ltd.
Ube Board Co., Ltd.
Ube Machinery Corporation, Ltd.
Ube Steel Co., Ltd.

Note: Ube Agri-Materials, Ltd. (currently MC Ferticom, Co., Ltd.), which changed its status from a consolidated company to a consolidated company under the equity method, has fallen outside the scope of this category since fiscal 2008.

Definitions

UBE: refers to Ube Industries, Ltd. (unconsolidated)

The UBE Group: refers to the UBE Group companies, including Ube Industries, Ltd.

Areas covered:

This report describes the UBE Group's activities in Japan and some locations overseas (including Thailand, Spain and China).

Statistical data published in this report:

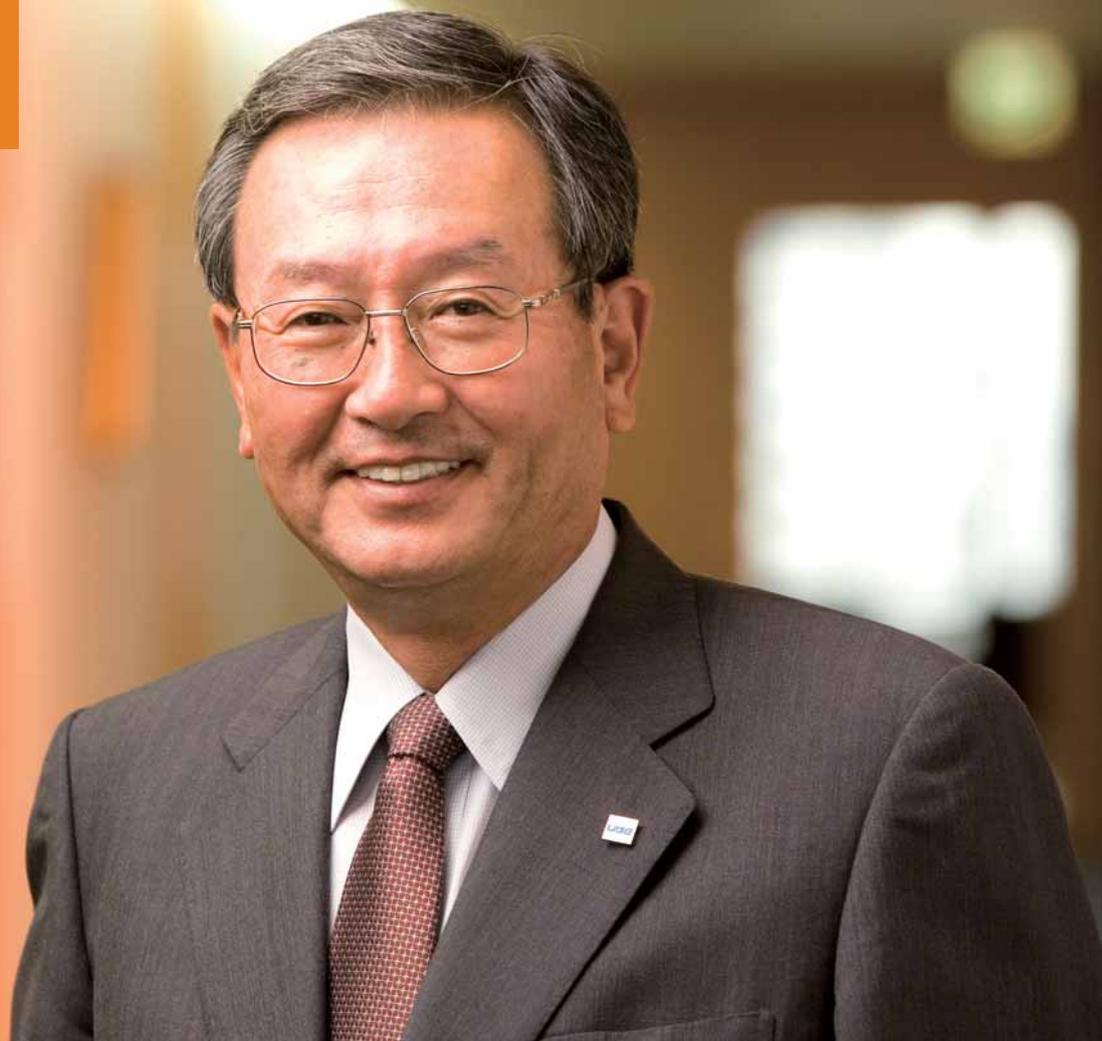
- All statistical data and relevant descriptions published in this report, excluding the environmental performance data, cover all Group companies.
- In principle, data is for the last five years (2004 to 2008)
- The scope of data, however, does vary in places. In such cases, the specific scope is noted on the relevant page.

Reference guidelines:

This report was created in line with the Japanese Ministry of the Environment's Environmental Reporting Guidelines Fiscal Year 2007 Version. We also referred to the Ministry's Environmental Performance Indicators Guidelines for Organizations (Fiscal Year 2002 Version) for environmental performance data and to the Ministry's Environmental Accounting Guidelines 2005 for environmental accounting standards.



A factory that manufactures Class C drugs



The UBE Group's CSR Initiatives

The origins of the UBE Group can be found in a silent partnership formed under the name Okinoyama Coal Mine in 1897, with Sukesaku Watanabe as the first president. Mr. Watanabe often used the slogan, "living and prospering together," to express the idea that the development of the company and that of the local community are equally important. Guided by this philosophy, UBE has consistently engaged in the production of highly original products and developed a wide array of new businesses. At the same time, it has contributed to society through the establishment of local infrastructure, including the construction of water supply and sewage systems, the development of schools, hospitals and electric power facilities and the building of railroads.

The UBE Group has continued to adhere to the concepts of "living and prospering together" and "creating an industry with infinite possibilities from the finite resources of coal" ever since its founding. The CSR activities undertaken by the Group originate from these beliefs.

Over its long history, the UBE Group has never wavered from its distinct philosophy and ethos. Based on this, it is our belief that the Group's stance towards the initiatives it has undertaken over many years stems from the incorporation of CSR into its business activities.

Currently, the Group is coming together to expand its efforts related to the economy, environment and society in order to develop the high-minded ethos of "living and prospering together"—which was initially rooted in the community—into the concept of "global coexistence."

To Foster Growth of the UBE Group

In order to facilitate future growth, the UBE Group undertakes a wide array of management initiatives. The Group also makes greater use of the strengths found in its globally recognized products and products with large shares in niche markets while constantly taking into consideration the need to undertake stable management.

In the current three-year medium-term management plan, Stage Up 2009, which we launched in fiscal 2007, we set forth the following basic policies: (1) the establishment of a platform for profitability that ensures sustainable growth; (2) the sustained improvement of financial position; and (3) the strengthening of CSR activities.

Although we are currently formulating UBE's next medium-term management plan, the direction and ideas that must be pursued remain the same despite the dramatic changes taking place in the external environment. Focusing on the development of the chemicals business, we are increasingly taking steps to solidify core businesses, including those related to caprolactam chain and cement products. We are also further promoting the expansion of such strategic growth businesses as specialty and battery materials, striving to bring about the early strategic commercialization of developing businesses and continuing to improve UBE's financial position. Through these measures, UBE aims to be a company that has an even greater business presence. Particularly with regard to developing businesses, we anticipate growth at an early stage in UBE's new and original businesses in the areas of pharmaceuticals, specialty inorganic materials and aerospace materials.

Responses to Global Warming

Amid efforts to advance its basic policy of strengthening its CSR activities, as a chemical manufacturer, the UBE Group is focusing on making a contribution to the prevention of global warming as a major management issue. In addition to further bolstering its initiatives to reduce greenhouse gasses produced during business activities, the UBE Group focuses on R&D that contributes to a low-carbon society through its technologies and products.

To be more specific, the Group achieved its target of a 12% reduction in CO₂ emissions ahead of schedule in response to the Kyoto Protocol's greenhouse gas emission reduction target of 6% (compared with the 1990 level) for Japan between 2008 and 2012. This reduction was accomplished through a Group-wide effort to conserve energy as well as to make use of substitute fuels and waste materials.

In addition, we are redoubling our efforts to conserve energy and reduce greenhouse gasses related to raw fuels procurement, manufacturing and distribution through such measures as improving energy efficiency and promoting the use of biomass.

In cooperation with Mitsubishi Corporation, Thai Caprolactam Public Co., Ltd. is currently promoting a CDM project to reduce N₂O in caprolactam manufacturing processes as its signature initiative. Owing to these efforts, Thai Caprolactam Public is expected to obtain an emission credit of approximately 530,000 tons (CO₂ equivalent) between June 2009 and the end of 2012.

Technologies and products that contribute to the environment are important. With this in mind, the UBE Group is developing systems for the purpose of creating new businesses that protect the environment. The Group also established a Global Warming Countermeasures Promotion Office in order to coordinate its wide array of responses to this phenomenon. Through these efforts, the Group is moving forward to respond to global warming and to develop products that contribute to the environment.

Community-Based Social Contribution Activities

UBE has established two foundations that boast a long history of contributing to society. The first of these is the UBE Foundation, which was established in 1959 as the Watanabe Memorial Science Foundation at the bequest of the late Takaji Watanabe (heir of Sukesaku Watanabe), the founding chairman of UBE. The Watanabe Memorial Science Foundation, which has continued to develop since its founding, was renamed the UBE Foundation in 1997 as part of celebrations to mark the 100th anniversary of the Company and will celebrate its 50th anniversary in 2009.

Desiring to develop Japan's academic culture during his lifetime, Takaji Watanabe, who was a physician, invested his personal funds to further this cause. Building on his wishes, the UBE Foundation focuses on providing grants to exceptional researchers, academic research facilities and exchange students.

Presently the UBE Group lends its support primarily to individuals who aim to pursue academic research and deserving young medical researchers. To date, the total number of individuals who have been awarded grants reached 212.

To celebrate the UBE Foundation's 50th anniversary in 2009, the number of grants offered was increased compared with other years, the Academic Grant Grand Prize was newly established as a special award and an academic grant award ceremony was held along with the 50th anniversary celebration in June 2009.

The second foundation is the Watanabe Memorial Culture Association, which was established in 1936 with the aim of taking over the promotion of human resource development, social education and cultural enlightenment, causes to which Sukesaku Watanabe dedicated himself for many years. Using his personal funds, Mr. Watanabe provided assistance to a wide array of community enterprises and educational activities with the purpose of enhancing the welfare of citizens and supporting the development of the local culture.

The Watanabe Memorial Culture Association is devoted to assisting local endeavors in the areas of art and culture. Examples of this include the Ube Citizens' Orchestra, cultural education courses for local residents and the UBE Biennale, a biennial sculpture event that has the third-longest history for an organization of its kind in the world.

We began holding the UBE Group Charity Concert in 2008 featuring the Japan Philharmonic Orchestra. In addition, members of the Japan Philharmonic Orchestra performed "hands on concerts" at local junior high schools, hospitals and other facilities as part of the Watanabe Memorial Culture Association activities. Owing to the rave reviews garnered by this series of concerts, we are considering holding such concerts on a continual basis, with the next concert scheduled for October 4, 2009. These efforts stem from our desire to provide opportunities for local youth to familiarize themselves with top-quality music and, in turn, gain an affinity for Ube Industries.

The activities of both of these foundations, which have continued from early times, represent detailed initiatives for "achieving harmony with our neighbors" in a definitive manner while extending the range of various activities from Ube City throughout Japan and around the world. In addition to Japan, we are currently undertaking numerous social contribution activities at our overseas business sites that include Thailand and Spain.

The strengthening of CSR activities is indispensable to furthering the sustainable growth of UBE. Underpinned by the ethos of "living and prospering together" and "global coexistence," we plan to continue undertaking a broad range of social contribution activities spanning Japan and the rest of the globe, beginning with the work of these foundations.

August 2009



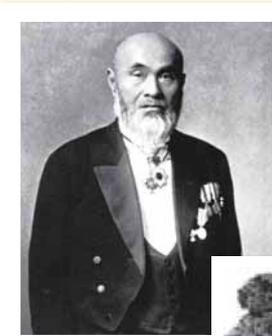
Hiroaki Tamura
President and Group CEO, Representative Director

800,000 (Millions of yen)

Corporate Philosophy

The history of the UBE Group starts with the Okinoyama Coal Mine, established 111 years ago to develop the coal fields in Ube, Yamaguchi Prefecture. With its commitment to "living and prospering together with our neighbors," the Company used the limited coal resources as a starting point to create an industry with infinite possibilities, developing a succession of new businesses to meet the needs of the times and to bring long-lasting prosperity. Unremitting self-reform, a desire to progress through original technologies, and the ideal of coexisting with all stakeholders throughout its long history—these elements make up the UBE Group's core identify.

1897



UBE's 111 Years of Business Growth

400,000

300,000

200,000

100,000

1955

1967

Ube Caprolactam Factory (currently Ube Chemical Factory) is established. The Sakai Factory is constructed.

1951

1942

Ube Industries, Ltd. is established through the amalgamation of Okinoyama Coal Mine, Ube Shinkawa Iron Works, Ube Cement Production, Ltd. and Ube Nitrogen Industry, Ltd.



The first initiative of its kind in Japan, the Dust Countermeasures Section is established by UBE and other companies, academics (representing citizens) and governmental authorities. This represents the full-fledged start of what is known as the Ube City's environmental program.



1897

1942

1950

1960

1970

- 1897 • Okinoyama Coal Mine is established as a silent partnership.
- 1914 • Ube Shinkawa Iron Works is established as a silent partnership.
- 1923 • Ube Cement Production, Ltd. is established.
- 1933 • Ube Nitrogen Industry, Ltd. is established.
- 1942 • Ube Industries, Ltd. is established.
- 1949 • Ube Industries, Ltd. is listed on the Tokyo Exchange.
- 1951 • Central Research Laboratory is established in Ube City.

- 1955 • The Ube Cement Factory and Isa Factory (currently the Isa Cement Factory) are established.
- 1959 • Nylon resin manufacturing facility is completed.
- 1964 • Kanda Cement Factory is established.
- Polyethylene plant (currently Chiba Petrochemical Factory) is built in Chiba.
- Representative offices set up in New York City and Düsseldorf (currently UBE America Inc. and UBE Europe GmbH).
- 1968 • Chiba Research Laboratory is opened.
- 1971 • Polybutadiene factory is built in Chiba.
- 1974 • Ube-Mine Expressway, a road to which Ube Industries has been granted special access, is opened.
- 1975 • An NSP kiln is completed at the Isa Cement Factory.
- 1977 • An NSP kiln is completed at the Kanda Cement Factory.

The opening of an elementary school in 1910 (later transferred to Ube City)



1982

Kosan-Ohashi Highway Bridge is completed (built by the Machinery Division).



1998

UBE begins full-scale production of electrolytes for lithium-ion secondary batteries used in mobile telephones and other products.



Experimental facilities for batteries

2005

The Nantong Ube Concrete Co., Ltd. is established.



1980

Okinoyama Coal Center is completed, with a storage capacity that is twice the size of the Tokyo Dome (stadium).

1987

UBE begins the manufacture of aluminum car wheels. U-Mold Co. Ltd. (currently Ube Aluminum Wheels, Ltd.) is established.



1996

An NSP kiln is completed at the Ube Cement Factory.



1997

UBE establishes a trilateral global manufacturing system in Japan, Thailand and Spain following the commencement of operations at its Thai manufacturing bases.



1974

UBE begins importing fuel coal from Australia amid a growing resurgence of coal due to the Oil Shock.

1980

1990

2000

2008

- 1979 •Nylon 12 resin manufacturing facility is completed.
- 1980 •Representative office established in Singapore (currently UBE Singapore Pte., Ltd.)
- 1983 •A polyimide film manufacturing facility is completed in Ube City.
 - The Ube Industries Building is completed.
- 1985 •A hydrogen separation membrane manufacturing facility is completed.
- 1986 •A quick ceramic flow manufacturing facility is completed.
 - A high-purity silicon nitride manufacturing facility is completed.
- 1987 •UBE Europe GmbH. is established.
- 1989 •An L-LDPE facility is completed at the Chiba Petrochemical Factory.
- 1992 •A dimethyl carbonate (DMC) manufacturing facility is completed.
- 1993 •Capital investment is provided to PQM of Spain (currently UBE Chemical Europe, S.A.).
- 1995 •A subsidiary is established in Hong Kong (currently UBE [HONG KONG] LTD.).
 - Class A drug manufacturing facility is completed.
- 1997 •UBE celebrates its 100th anniversary of business operations.
 - A production base is completed in Thailand for caprolactam, nylon and synthetic rubber.
- 1998 •Ube-Mitsubishi Cement Corporation is established.
- 1999 •Ube Machinery Corporation, Ltd. is established.
- 2000 •A subsidiary is established in Shanghai (currently UBE [Shanghai] Ltd.).
 - An EUP plant commences operations
- 2001 •An executive officer system and outside director system are introduced.
- 2004 •UBE-MARUZEN POLYETHYLENE Co., Ltd. is established.
 - A nylon resin production facility is completed in Spain (UBE Engineering Plastics, S.A.)
- 2006 •TSRC-UBE (NANTONG) CHEMICAL INDUSTRIAL COMPANY LIMITED, a company that manufactures synthetic rubber, is established in China.
- 2007 •The medium-term management plan, Stage Up 2009, is launched.
- 2008 •UBE decides to construct a factory to manufacture 1,6-hexanediol in Thailand.

UBE Group Vision

The UBE Group operates both in Japan and globally in a broad range of markets—social infrastructure, lifestyle products, automobiles, energy and environment, information electronics, pharmaceuticals and aerospace—and provides a diverse array of materials and products that demonstrate UBE’s originality. Based on the vision of “Wings of technology, Spirit of innovation. Our DNA driving our global success,” UBE will continue to create value for the future through proprietary technologies that focus on chemistry, including specialty materials and products and technologies with low environmental impact.

Corporate Profile

Company Name: Ube Industries, Ltd.
Founded: June 1, 1897
Consolidated: March 10, 1942
President and Group CEO: Hiroaki Tamura
Capital: ¥58.4 billion (as of March 31, 2009)
No. of Employees: 11,264 (consolidated)
 3,672 (unconsolidated)
 (as of March 31, 2009)

Business Profile

Chemicals & Plastics

UBE supports both industry and personal lifestyles through its Chemicals & Plastics operations. Principal products include: caprolactam, a basic raw material for nylon for which UBE ranks among the world’s top three producers; nylon resins used as an engineering plastic for such products as automotive components and food product wrapping films; synthetic rubber (butadiene rubber) for which UBE boasts Asia’s top production capacity and which are used by all tire manufacturers in Japan; and ammonia—a raw material of caprolactam—and other industrial chemicals used to produce a wide range of chemical products.

Fiscal 2008 Topics •Completion of a joint venture butadiene rubber production facility in Nantong City, China •Memorandum of agreement signed with PTT Public Company Limited (PTT) to study the future establishment of a broad range of joint chemicals businesses in Thailand

- Synthetic Rubber
- Caprolactam chain
 - Caprolactam
 - Nylon resins
- Industrial chemicals

Specialty Chemicals & Products

UBE stands behind the development of electronics with high-performance products such as super-heat-resistant resin polyimide, essential for circuit substrates in flat panel displays, as well as electrolytes and separators used in lithium-ion batteries. UBE offers products such as separation membranes and silicon nitride that respond to needs related to the environment and safety, while providing high-value-added fine chemicals, active pharmaceutical ingredients and intermediates, all of which fall into the category of global niche products. Such a distinctive product portfolio, coupled with our proprietary technologies, empowers us to better contribute to the development of society.

Fiscal 2008 Topics •Completion of facilities to increase production of silicon nitride •Decision made to construct a new 1,6-hexanediol production facility in Thailand •Agreement with major aircraft manufacturer to collaborate on R&D of new materials technology for aerospace applications •The European Commission and the U.S. Food and Drug Administration (FDA), in February 2009 and July 2009, respectively, approved *EFFIENT* (prasugrel), an oral antiplatelet agent discovered by Ube Industries and Daiichi Sankyo Co., Ltd., and co-developed by Daiichi Sankyo and Eli Lilly and Company. •Completed the 6th production facilities for separators.

- Specialty products
 - Polyimide
 - Battery materials (electrolytes and separators)
 - Semiconductor-related and electronics materials (high-purity chemical products and optic fiber related)
 - Gas separation membranes
 - Ceramics
 - Telecommunications devices
- Fine chemicals
- Pharmaceuticals (active ingredients, intermediates)

Cement & Construction Materials

Cement is vital to the establishment of social infrastructure. By accepting a variety of waste materials, including soil from construction, ash from incinerated urban trash and plastics to be used as raw materials or fuel, UBE can make a major contribution to the creation of a recycling-based society. In addition, as a producer of a comprehensive range of construction materials, UBE offers a diverse lineup of products, including materials for flooring, plastering, waterproofing, repairs and other applications, that meet a wide range of the construction industry needs.

Fiscal 2008 Topics •Waste processing 3rd facilities for fuel completed at Isa-Cement Factory

- Cement & ready-mixed concrete
- Recycling of resources
- Building materials (self-leveling, plastering and waterproofing materials)
- Limestone
- Calcia, magnesia
- Specialty inorganic materials

Machinery & Metal Products

UBE brand machinery, as represented by die-casting and injection molding machines that have earned accolades both in Japan and overseas, feature high reliability backed by UBE’s cutting-edge proprietary technology. UBE aluminum wheels contribute to increasingly lightweight vehicles and are recognized for their high performance and quality. These aluminum wheels are primarily equipped on Japanese luxury and hybrid cars.

Fiscal 2008 Topics •Ube Machinery Co., Ltd. launched “MDS-V Series,” a line of next-generation all electric injection molding machines •Decision made to spin off the North American aluminum wheel business and to undertake a corporate separation of the business in Japan

- Machinery
 - Molding machines (die-casting and injection molding machines)
 - Industrial machinery (transportation equipment, milling machines and crushing machines)
 - Bridges and steel structures
 - Steel making products
- Aluminum wheels

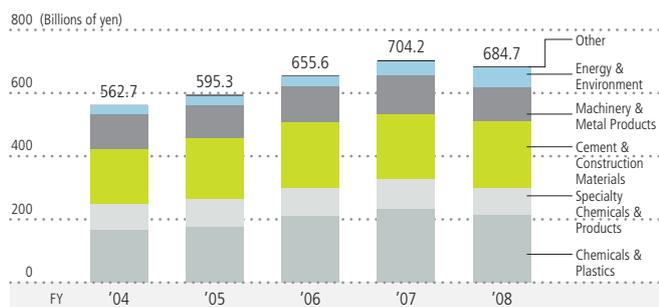
Energy & Environment

In the coal business, which steadily supplies users with overseas coal, UBE boasts Japan’s top range of coal storage capacity. UBE has established its own energy infrastructure with its in-house power plants supplying electricity used for its business operations. Moreover, we are implementing new energy strategies, including the development of an independent power producer (IPP) business. In addition to this, through the implementation of the ground breaking waste recycling system business and the introduction of biomass fuels in its IPP business, both of which are expected to support a recycling-based society, UBE is working to reduce the burden that human activities place on the global environment.

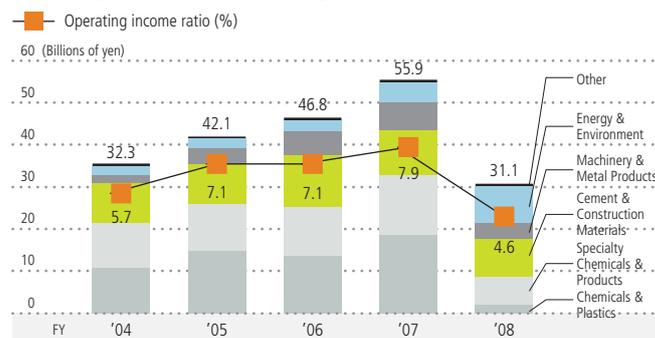
- Coal
- Electric power

Major Financial Data (Consolidated)

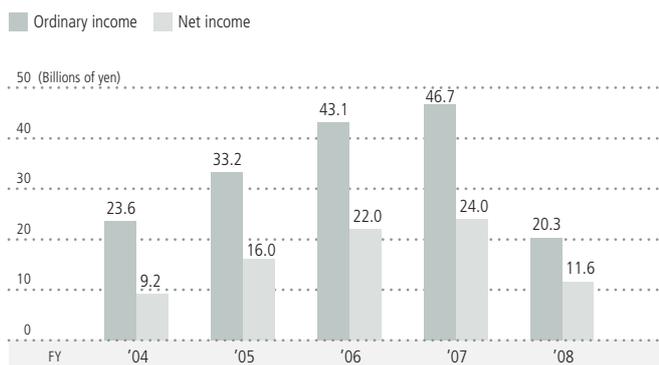
Net Sales



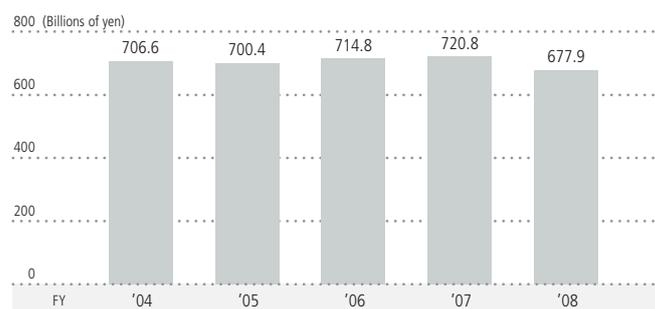
Operating Income and Operating Income Ratio



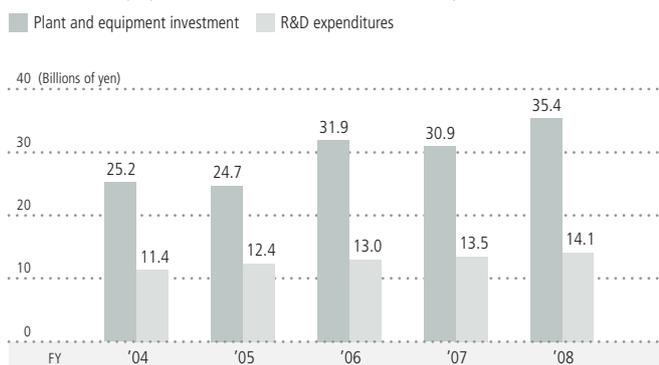
Ordinary Income and Net Income



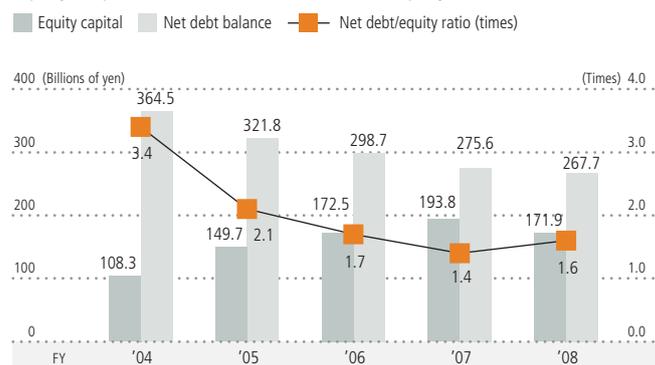
Total Assets



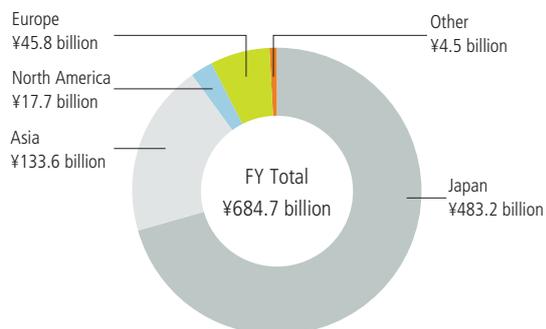
Plant and Equipment Investment, and R&D Expenditures



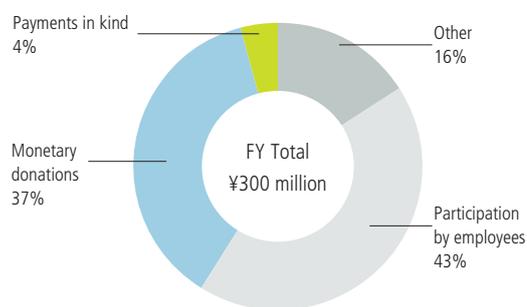
Equity Capital, Net Debt and Net Debt/Equity Ratio (times)



Net Sales by Region (FY 2008)



Breakdown of Social Contribution Activities in FY 2008 (By Type)



01

Management System

The UBE Group is committed to achieving sustainable growth for the Group and society at large and regards its Basic Policies for CSR as a mainstay of its business activities. The Group also makes continuous efforts to ensure appropriate information disclosure, thereby building even stronger bonds of trust with its stakeholders, including shareholders, customers, suppliers, employees and local communities.

UBE Group Basic Policies for CSR

Regarding corporate social responsibility in terms of the economy (management), the environment and social ties, UBE will:

- Continually improve profits and earnings and maintain a sound financial position in order to increase corporate value
- Provide products, services, and systems that contribute to safety and the environment, reduce the use of harmful materials and waste, and institute policies for the prevention of global warming in order to contribute to the conservation of the global environment
- Establish compliance procedures to improve corporate governance and create a better working environment as a part of our activities to contribute to society

Established July 2005

The UBE Group, founded more than 110 years ago, established its corporate philosophy of “living and prospering together with our neighbors” well before the term “CSR” took root. The Group has grown and developed over the years together with various parties. In 2005, UBE established its basic CSR policies and upgraded its previous RC report into a CSR report, making this the fifth report published.

As mentioned on page 21, in April 2008, the Group CSR Committee was launched with the goal of further strengthening the CSR promotion system. Under this committee are various other committees that deal with a variety of issues. Recognizing that the foundation for the survival of the Company is the continuous improvement of profitability along with the fulfillment of the Company’s corporate social responsibilities, such as environmental protection and compliance, the UBE Group has built and implemented a management system.

Although there are still many things that have yet to be accomplished, based on our record over the past year, we have made further headway in creating a more deeply rooted sense of CSR.

As one part of our past year’s Crisis Management Committee activities, we focused on formulating a business continuity plan (BCP) that we are happy to report functioned effectively in response to the recent new strain of influenza.



Kazuhiko Okada
Vice-President and
Responsible for Group CSR,
Representative Director

Further Improving the System to Strengthen CSR Activities in Line with the Basic Policies for CSR

In April 2008, we established the Group CSR Committee and the CSR Department to enhance our system for promoting CSR activities. Through these organizations, we are moving ahead to strengthen CSR activities, which is one of the basic policies in our medium-term management plan.

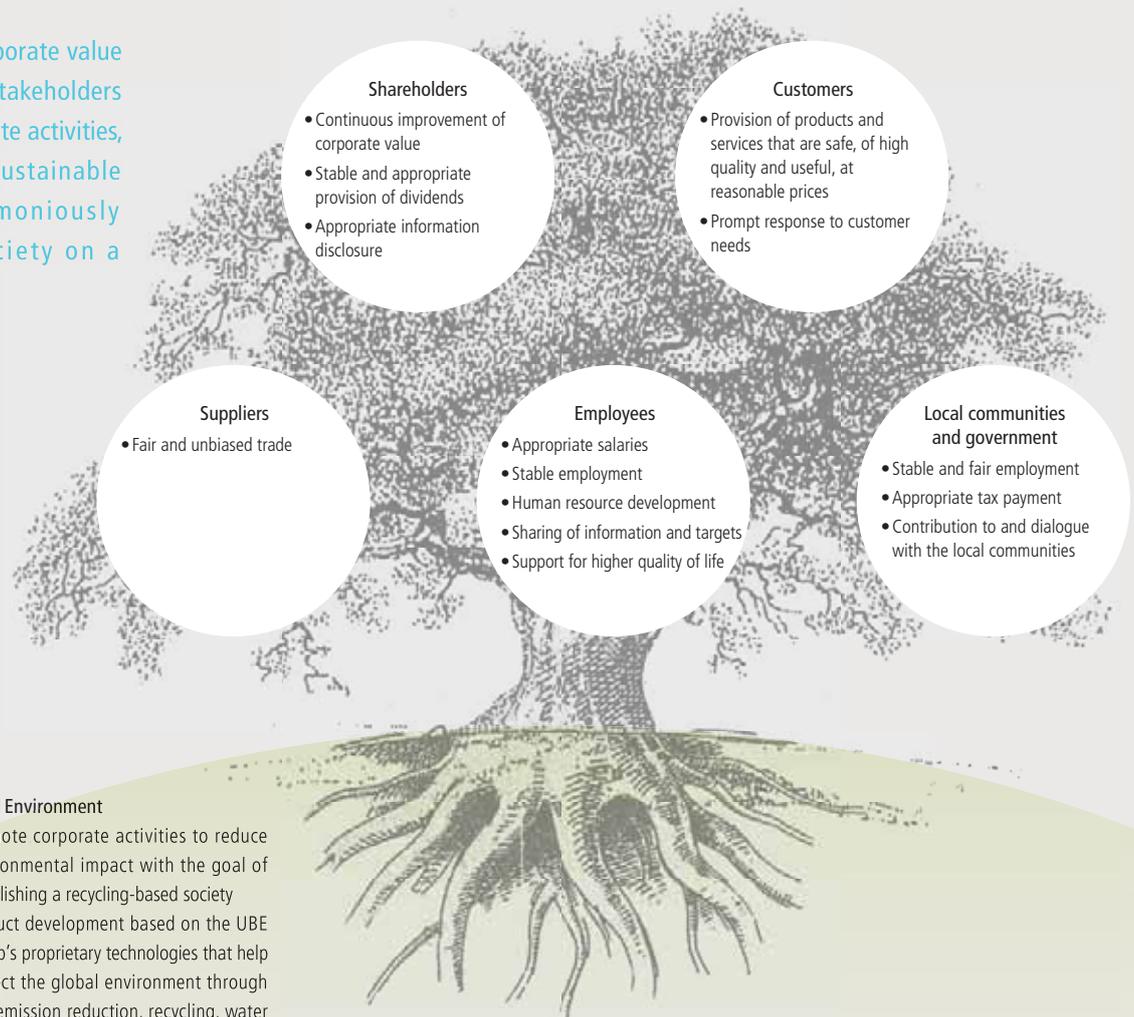
Significance of the UBE Group CSR Matrix

The UBE Group is conducting its CSR activities in line with its Basic Policies for CSR, regarding the fulfillment of CSR as an integral part of its management. Based on this concept, the Group CSR Committee (chaired by President Tamura of UBE) has determined practical CSR-related issues in the Group's corporate activities in a table called a "CSR matrix."

The CSR matrix shows the targets to be achieved by the directors and employees of the UBE Group by CSR item and by stakeholder. We will make all members of the Group aware of this CSR matrix and ensure that all the departments of the Group perform their duties in line with it. To this end, we will annually monitor the progress made toward the achievement of the targets shown in the matrix.

UBE Group's CSR Mission

To increase the corporate value and contribute to stakeholders through fair corporate activities, and to maintain sustainable growth and harmoniously coexist with society on a long-term basis



UBE Group's CSR Matrix (Items for medium- and long-term initiatives by stakeholders)

Basic Policies	Items for medium- and long-term initiatives		Group-wide organization	Primary departments in charge
Corporate governance and internal control ● To establish highly transparent corporate governance and an efficient and disciplined enforcement system	Shareholder	<ul style="list-style-type: none"> Enhancement of corporate governance and internal control Stable and appropriate provision of dividends Improvement of financial structure 	General Meeting of Shareholders, Board of Directors, internal control system, outside directors, Group Strategic Management Committee, Group CSR Committee and others	Corporate Planning Dept., Auditing Dept., CSR Dept. and Internal Control System Group
	Customer	<ul style="list-style-type: none"> Assurance of fair trade and competition Formulation of a business continuity plan (BCP) 		
	Supplier	<ul style="list-style-type: none"> Fair and unbiased purchasing Establishment of relations of trust 		
	Employee	<ul style="list-style-type: none"> Awareness of management policies Better understanding of CSR activities Business performance based on assigned roles Loyalty to the organization (through stock options, etc.) 		
	Local community and government	<ul style="list-style-type: none"> Appropriate tax payments Appropriate political donations 		
Compliance ● To comply with corporate ethics and social norms without fail ● To comply with laws and regulations	Shareholder	<ul style="list-style-type: none"> Prevention of insider trading Appropriate disclosure of negative information 	Group CSR Committee, Compliance Committee, and Restricted Cargo and Export Committee	CSR Dept., Legal Dept., Corporate Planning Dept. and Intellectual Property Dept.
	Customer	<ul style="list-style-type: none"> Compliance with related laws and regulations, including the Antimonopoly Act and the Construction Business Act Strict confidentiality of customer information, etc. 		
	Supplier	<ul style="list-style-type: none"> Respect for intellectual property Compliance with related laws and regulations, including the Act against the Delay in Payment of Subcontract Proceeds, etc., to Subcontractors and the Law for Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatched Workers 		
	Employee	<ul style="list-style-type: none"> Compliance education based on the Action Guidelines for Business Conduct, etc., and improvement of the educational system (for e-learning, etc.) 		
	Local community and government	<ul style="list-style-type: none"> Compliance with related national laws, regulations and ordinances, more stringent prefectural standards and other agreements 		
Environment, safety, and quality ● To conduct business activities in consideration of the environment ● To provide environmental information ● To manufacture and provide high-quality and safe products and services in a safe manner with safe technologies	Shareholder	<ul style="list-style-type: none"> Promoting better understanding of environment-, safety-, and quality-oriented management 	Group Environment and Safety Committee, Group Product Liability and Quality Committee and Crisis Management Committee	Environment & Safety Dept., REACH Promotion Office, Global Warming Countermeasures Promotion Office and General Affairs Dept.
	Customer	<ul style="list-style-type: none"> Development and provision of products and services that help reduce environmental impact Provision of high-quality and safe products and services Compliance with related laws and regulations 		
	Supplier	<ul style="list-style-type: none"> Implementation of more measures for the reduction of environmental impact Clarification of safety and quality requirements Promotion of green supply and purchasing 		
	Employee	<ul style="list-style-type: none"> Improved education and enlightenment on the environment, safety and health, quality and energy conservation Creation and provision of a safe and comfortable workplace 		
	Local community and government	<ul style="list-style-type: none"> Compliance with environment-, product- and service-related laws and regulations Proactive measures to reduce environmental impact 		
Information disclosure and communication ● To disclose information to stakeholders appropriately and in a timely manner and expand communication channels with them ● To appropriately manage information	Shareholder	<ul style="list-style-type: none"> Disclosure of information about management status, CSR, and risks Appropriate information provision to institutional investors and analysts Organization of a general meeting of shareholders in an open manner 	Group CSR Committee and Information Security Committee	CSR Dept., Investor Relations & Public Relations Dept., Information System Dept., Environment & Safety Dept. and Ube Corporate Service Dept.
	Customer	<ul style="list-style-type: none"> Provision of appropriate information about products, services and safety 		
	Supplier	<ul style="list-style-type: none"> Clear statement of procurement policies Promotion of communications 		
	Employee	<ul style="list-style-type: none"> Promotion of in-house communications Disclosure of information about working conditions Management of information security and protection of privacy Promoting better understanding of the treatment of intellectual property rights 		
	Local community and government	<ul style="list-style-type: none"> Promoting better communication with the local community and related organizations (through the RC Regional Dialogue and UBE i Plaza, etc.) Establishment of favorable relations with mass media companies 		
Human rights and labor ● To respect the human rights of people who are affected by the Group's corporate activities ● To respect the human rights of employees, including those of partner companies	Shareholder	<ul style="list-style-type: none"> Promoting better understanding of and increased support for human rights 	Personnel Policy Committee	Human Resources Dept.
	Customer	<ul style="list-style-type: none"> Provision of advertisements that are not disagreeable to consumers 		
	Supplier	<ul style="list-style-type: none"> Provision of equal trading opportunities 		
	Employee	<ul style="list-style-type: none"> Improvement of the personnel system to enable a variety of employees to display their abilities Improved health and safety at workplaces and better health management by employees Sincere dialogue with employees and the labor unions Discontinuance of discriminatory employment practices and provision of equal employment opportunities Education on respect for human rights 		
	Local community and government	<ul style="list-style-type: none"> Creation of employment Compliance with labor-related laws and regulations Discussion and dialogue toward the creation of a society with high respect for human rights 		
Social contribution ● To conduct social contribution activities toward the creation of a sound and sustainable society	Shareholder	<ul style="list-style-type: none"> Promoting better understanding of and increased support for corporate social contribution activities 	Group CSR Committee and CSR Promotion Committee	CSR Dept., Ube Corporate Service Dept. and General Affairs Dept.
	Customer	<ul style="list-style-type: none"> Promoting better understanding of corporate social contribution activities. 		
	Supplier	<ul style="list-style-type: none"> Promoting better understanding of corporate social contribution activities 		
	Employee	<ul style="list-style-type: none"> Encouragement of and support for voluntary participation in social activities 		
	Local community and government	<ul style="list-style-type: none"> Promotion of social contribution activities and improvement of the relevant system (through the UBE Foundation, etc.) Better understanding of corporate social contribution activities 		

Note: Please refer to Initiatives for Environment and Safety Items beginning on page 41 regarding items of the UBE Group global environmental initiatives.

Enhancing CSR Promotion

In line with its Basic CSR Policies, the UBE Group has been strengthening its system to foster environmental, safety, and compliance measures while continuously improving its profitability and financial position to increase its corporate value.

In its medium-term management plan, Stage Up 2009, which was launched in fiscal 2007, the Group set forth the following basic policies: (1) establishment of a platform for profitability that ensures sustainable growth; (2) sustained improvement of financial position; and (3) strengthening of CSR activities. Based on these policies, we worked hard to thoroughly implement relevant activities. As a result, we founded the Group CSR Committee (chaired by President Tamura of UBE) on April 1, 2008. Under the Group CSR Committee are five committees, including the CSR Promotion Committee and the Compliance Committee, which manage and facilitate social contribution activities, along with the Information Security Committee. Moreover, the CSR Department has been newly established as an organization to support the CSR promotion system.

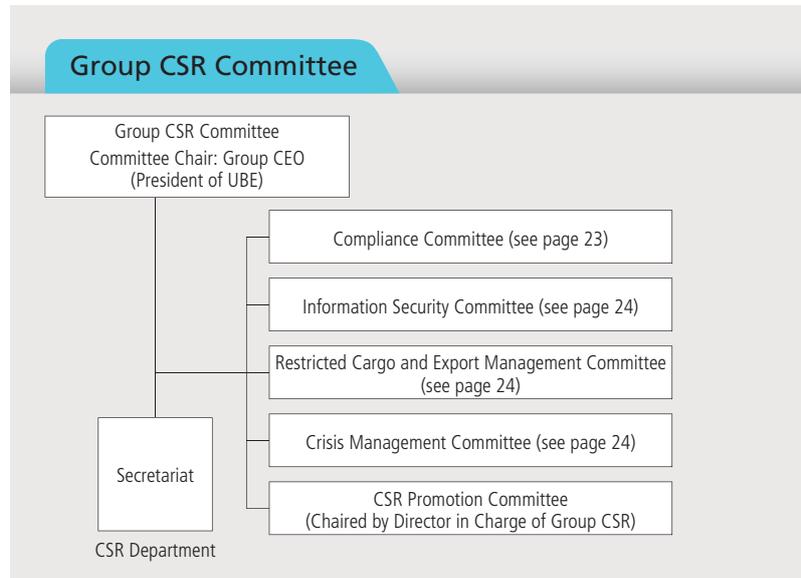
Under this new system, the UBE Group has been implementing its CSR measures based on the previously mentioned CSR matrix, supported by the aforementioned committees and the Group Environment and Safety Committee. We are aiming to increase our corporate value through fair corporate activities and win more trust from our stakeholders, while achieving sustainable growth and harmonious coexistence with society on a long-term basis.



Poster of the winning "compliance slogan" received by the Compliance Committee

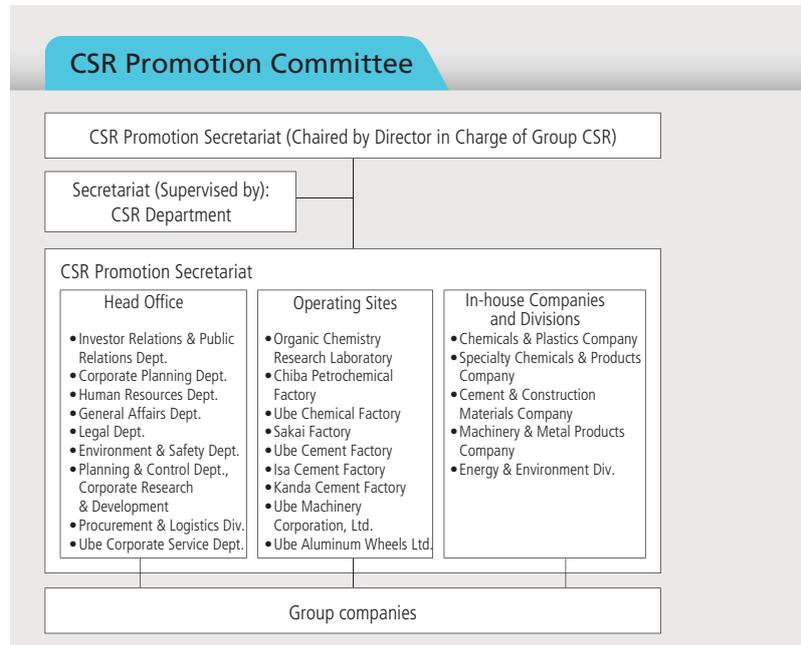
Group CSR Committee

Under the Group CEO (the President of UBE), in addition to the existing Group Environment and Safety Committee, the UBE Group established the Group CSR Committee as a Group management committee and is expanding its business activities based on the Basic CSR Policies.



● CSR Promotion Committee

The CSR Promotion Committee is in charge of the UBE Group's social contribution activities and CSR reports. Supervised by the director in charge of CSR and in cooperation with the CSR Promotion Secretariat, the Committee is collecting data on the Group's CSR activities and implementing measures to boost such activities.



Establishing a Corporate Governance System to Further Increase the UBE Group's Corporate Value

Through the establishment of a corporate governance system based on transparent and objective management as well as appropriate supervision, we can increase corporate value on a stable and long-term basis while fulfilling our mission to foster the trust of all stakeholders.

Initiatives to Establish and Maintain Corporate Governance

● Board of Directors

Two outside corporate directors have been appointed to the Board of Directors to bring a third-party perspective to decision-making, thereby ensuring transparency and objectivity in management. Composed of eight corporate directors, of whom two are appointed from outside the Company, the Board of Directors is chaired by a director who, in principle, is not an executive officer. Currently the Board is being chaired by an outside corporate director. In addition, UBE has positioned a Nominating Committee and an Evaluation and Compensation Committee as subsidiary entities of the Board of Directors, allowing greater flexibility in the activities of the Board. Both of the committees are chaired by outside directors.

● Executive Officer System

In June 2001, UBE adopted an executive officer system with the aim of separating governance and management functions. The management team currently consists of 24 executive officers, of whom six are also directors. Executive officers carry out business operations in accordance with management policies determined by the Board of Directors, using authority delegated to them by the President & Representative Directors.

● Audit System

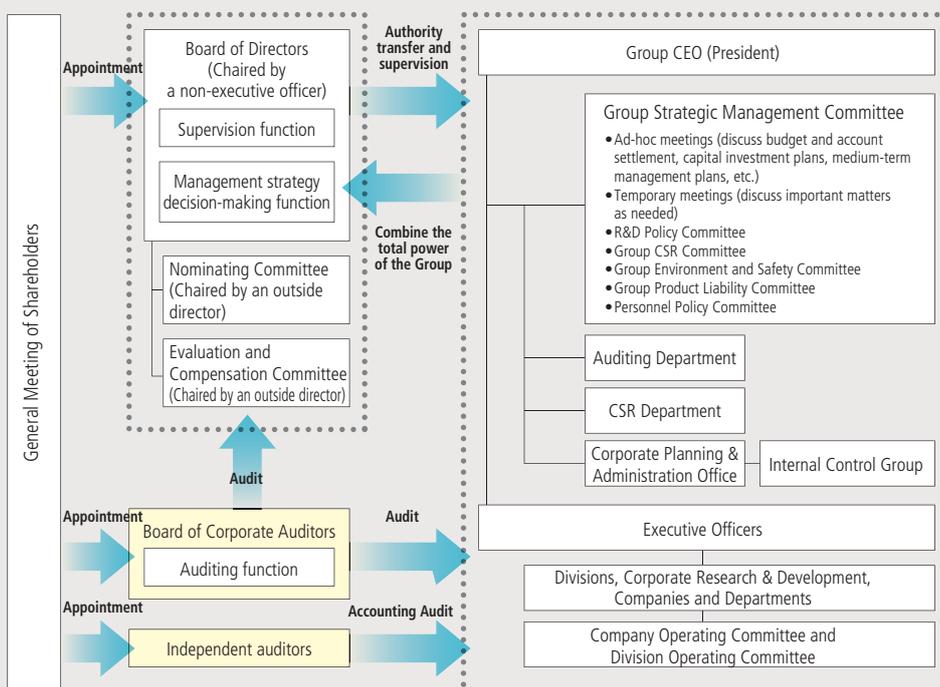
Internal audits are conducted by UBE's Auditing Department, which reports directly to the CEO. Audits cover the entire UBE Group, including UBE's overseas subsidiaries. Aspects checked include internal control and compliance with laws and regulations as well as adherence to manuals.

The corporate auditor organization consists of four corporate auditors, of whom two are appointed from outside the Company. The task of corporate auditors is to ensure that directors and executive officers perform their duties appropriately by attending important meetings, including meetings of the Board of Directors, by examining important accounting documents and by receiving reports on operations from directors and other officers.

The corporate auditors and the Auditing Department regularly exchange information, and when the auditors conduct audits, some of the Auditing Department staff will accompany and support them as required. The auditors and the Auditing Department thus work in close cooperation with each other. The corporate auditors also regularly meet the independent auditors to hear about their auditing plans and to obtain information about the implementation status.

UBE promotes transparent and objective management through each of the abovementioned organizations' functioning in close coordination with each other. (Please refer to the chart below)

Group Corporate Governance Structure



Decision-Making System

● Board of Directors

On behalf of shareholders, the Board of Directors discusses and makes decisions on the issues provided for by the Companies Act, the basic policies of the Company and important enforcement issues from medium- to long-term perspectives.

● Group Strategic Management Committee

The Group Strategic Management Committee is responsible for discussing and making decisions on key matters concerning resource allocation, items that need to be adjusted from an overall Group perspective, and other key matters that affect the Group as a whole in accordance with the Group Management Guidelines and Group Strategic Management Committee rules.

● Company Operating Committee and Division Operating Committee

The Company Operating Committee and the Division Operating Committee are responsible for discussing and making decisions on key matters, such as business strategy, at the corporate level and divisional level, respectively. They engage in these activities for Ube Industries and other UBE Group companies in accordance with the Group Management Guidelines and rules that govern their operation.

Compliance: A Prerequisite for Trusted Companies

We are committed to compliance in our management, based on the recognition that compliance is a prerequisite for a company to fulfill its social responsibility.

Measures to Ensure Effective Compliance

The UBE Group considers compliance to be a prerequisite for any company seeking to fulfill its social role. This is in addition to providing society with a variety of benefits, such as useful products and services, and ensuring employment. Business activities that are found to have not complied with laws and regulations and social norms, however, will greatly undermine society's trust in a company.

The UBE Group implements measures to enhance its system—headed by its president and designed to ensure compliance—with the aim of fostering awareness with regard to compliance on the part of every company officer and employee. In addition, the UBE Group has established points of contact both within and outside the Company, in order to quickly identify problems originating with its employees.

In addition, we have been holding e-learning seminars and conducting compliance audits since fiscal 2006 to ensure the effectiveness of our compliance system.

● Personal Action Guidelines and Basic Policy with Regard to Anti-Social Elements

Personal Action Guidelines—booklets in which the behavioral norms that should be adhered to are set out—are distributed to UBE Group company officers and employees with a view to promoting thorough understanding. In addition, we formulated the Basic Policy with Regard to Anti-Social Elements to emphatically clarify the Group's intention to avoid any kind of relationship with such parties.

● Noncompliance Notification System (UBE C-Line Message Center)

With the aim of quickly discovering and dealing with compliance violations, the UBE Group introduced UBE C-Line, a message center that enables employees to report any compliance violation directly to the division responsible for compliance or to a consulting lawyer.

● Enlightenment by e-Learning

The UBE Group holds annual online training sessions, covering wide-ranging compliance themes and geared toward all company officers and employees.

● Compliance Training

Training sessions for new employees and newly appointed company officers as well as explanatory meetings on such subjects as the Act against the Delay in Payment of Subcontract Proceeds, etc., to Subcontractors are held as necessary.

● Awareness Surveys

The UBE Group commissioned an external organization to conduct a survey to gauge compliance awareness among company officers and employees (January 2009). It is envisaged that, after analysis, the results of the survey will help future efforts.

● Compliance Slogans

In order to enhance compliance awareness among employees, the UBE Group has collected compliance slogans from its officers and employees. These slogans are made into posters that are displayed at all business segment sites and Group company business offices and on factory floors.

Overview of Systems Ensuring Compliance

● Compliance Officer (CO)

Two directors have been appointed as Compliance Officers (one of whom was appointed as Chief Compliance Officer). Their task is to promote and insure compliance throughout the UBE Group by supervising compliance-related activities.

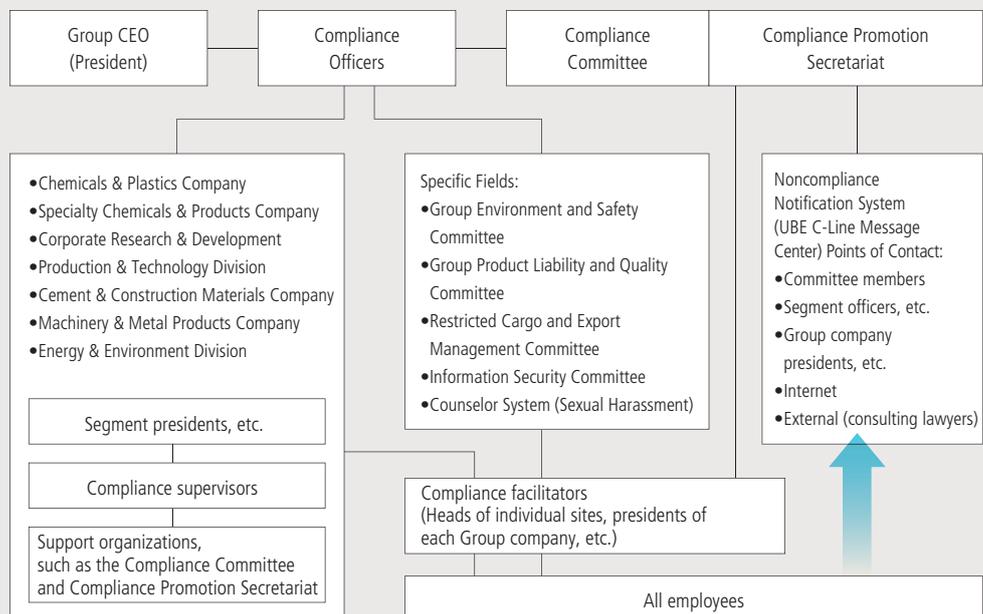
● Compliance Committee

The Compliance Committee advises the Compliance Officers and deliberates on important compliance-related issues. To ensure transparency, a legal adviser (a consulting lawyer) has been invited to serve as an outside committee member.

● Compliance Promotion Secretariat

This unit administers compliance-related activities under the direction and supervision of the CO.

Compliance System



Implementing Optimal Measures to Identify and Deal with Risks Associated with Business Operations

We are improving and strengthening our risk management system so that we can implement optimal measures to identify and deal with risks that might have a serious impact on our management.

Risk Management System

Companies conduct activities to make maximum profit, while dealing with a range of risks. The UBE Group is improving its risk management system so that it can implement appropriate measures to identify and assess the probability and impact of risks that might prevent the attainment of its business objectives.

In order to deal with specific types of risks, we have established the Group Environment and Safety Committee and the Group Product Liability and Quality Committee. For the entire Group, these two committees formulate and actively implement policies concerning the environment and safety, and product safety, respectively.

In addition, we have established the following committees to deal with individual risk categories.

● Information Security Committee

Due to the digitization of a wide range of information, companies are facing the risk of information leakage, falsification and loss, and these risks are having a serious influence on their corporate activities.

The UBE Group has established its information security policies to ensure information security, and it is raising employees' awareness of these policies and monitoring their compliance. We also established information security rules and regulations to ensure appropriate information management.

● Restricted Cargo and Export Management Committee

We constantly reinforce awareness within our Group of the fact that the basic requirement of export management is to prevent the illegal export or supply of goods and technologies that are subject to export controls under laws and regulations designed to maintain international peace and stability, such as Japan's Foreign Exchange and Foreign Trade Act.

● Crisis Management Committee

Companies face various risks beyond national boundaries. These risks include labor accidents at factories, other workplace accidents, environment- and safety-related accidents, disasters, noncompliance with laws and regulations, sexual harassment and personnel- and labor-related problems, such as human rights issues.

The UBE Group established crisis management regulations, a crisis management manual and other measures to respond to emergencies that could occur both in Japan and overseas. It also responds in a rapid and appropriate manner to a variety of incidents, including major accidents, disasters and scandals, while maintaining systems that minimize the impact of such incidents on business operations. Moreover, the Overseas Crisis Management (OCM) committee has been established within the Crisis Management Committee to take charge of crisis management for employees who are on business trips or working overseas.

Formulation of a BCP*1

The UBE Group has formulated a BCP to ensure that it can promptly make necessary responses and smoothly resume its business operations in the event that a large earthquake rated at 6 or higher on the Japanese earthquake scale takes place in the Tokyo metropolitan area and causes serious damage to the functions of its head office.

In December 2008, the Tokyo Head Office, the Ube Head Office and the Chiba Petrochemical Factory participated in the first BCP field drill in anticipation of an earthquake occurring directly below the Tokyo Metropolitan area.

UBE began training employees to operate the system it introduced to confirm the safety of employees and their families in the case of a disaster, while equipping employees with pocket-sized earthquake-response manuals and disaster helmets.

The UBE Group has finalized Group-wide policies for the emerging threat of new influenza strains and is thoroughly undertaking preventative measures in accordance with such policies. The Group also formulates BCPs that provide detailed responses to such threats at each site.

Guest Message

Persistent Efforts to Achieve Zero Major Incidents Overseas

Since the establishment of the OCM Committee in 1997 to direct crisis management overseas, the Committee has continued to earnestly and consistently undertake safety management activities that include: providing information to employees working overseas; undertaking safety management of employees going on business trips by specifying countries where entry is prohibited or countries that pose a security risk; and conducting training in safety measures for employees who are to be posted overseas. In addition, the OCM representatives of each Group company, site and the head office meet once every three months to share information and expertise with regard to incident and accident prevention. In light of the

significant number of companies that soon forget about past problems, achieving "zero major incidents" requires ongoing effort based on the idea that persistence pays off.



Moriharu Hiragimoto

Vice President
Japan System Service Co., Ltd.

Glossary

*1 BCP stands for business continuity plan—specifically, a plan made to minimize the suspension of business in the event of a disaster and to recover its functions as early as possible to ensure business continuity.

02 With Stakeholders

In order to fulfill its corporate social responsibilities, the UBE Group will abide by its Action Guidelines for Business Conduct and work to gain the trust of its stakeholders.

UBE Group Action Guidelines for Business Conduct

Chapter 1 Corporate Mission and Social Responsibility

We will strive to create new value and ensure continuing corporate development, while also actively fulfilling our corporate social responsibilities and contributing to sound social development.

Chapter 2 The Law and the Corporation

We will comply with Japanese and foreign laws and regulations and corporate regulations, behave as a sound member of society, have absolutely no involvement nor business relations with anti-social elements and refuse any unreasonable demands from said elements.

Chapter 3 Business Activities and Value Creation

We will develop and supply useful and safe technologies, products and services that allow us to earn the trust of society.

Chapter 4 Impartiality and Sincerity

In our business activities in Japan and overseas, we will strive to maintain fair and free competition and perform our tasks in good faith.

Chapter 5 Safety and the Environment

We will work independently and actively to ensure safety and fulfill humanity's shared mission to protect the global environment.

Chapter 6 Human Rights and the Workplace

We will respect human rights in our business activities in Japan and overseas and develop healthy, bright and motivating workplaces.

Chapter 7 Information and Corporate Activities

We will strive to protect information and ensure accurate disclosure of corporate information and maintain active and effective communication with society in general.

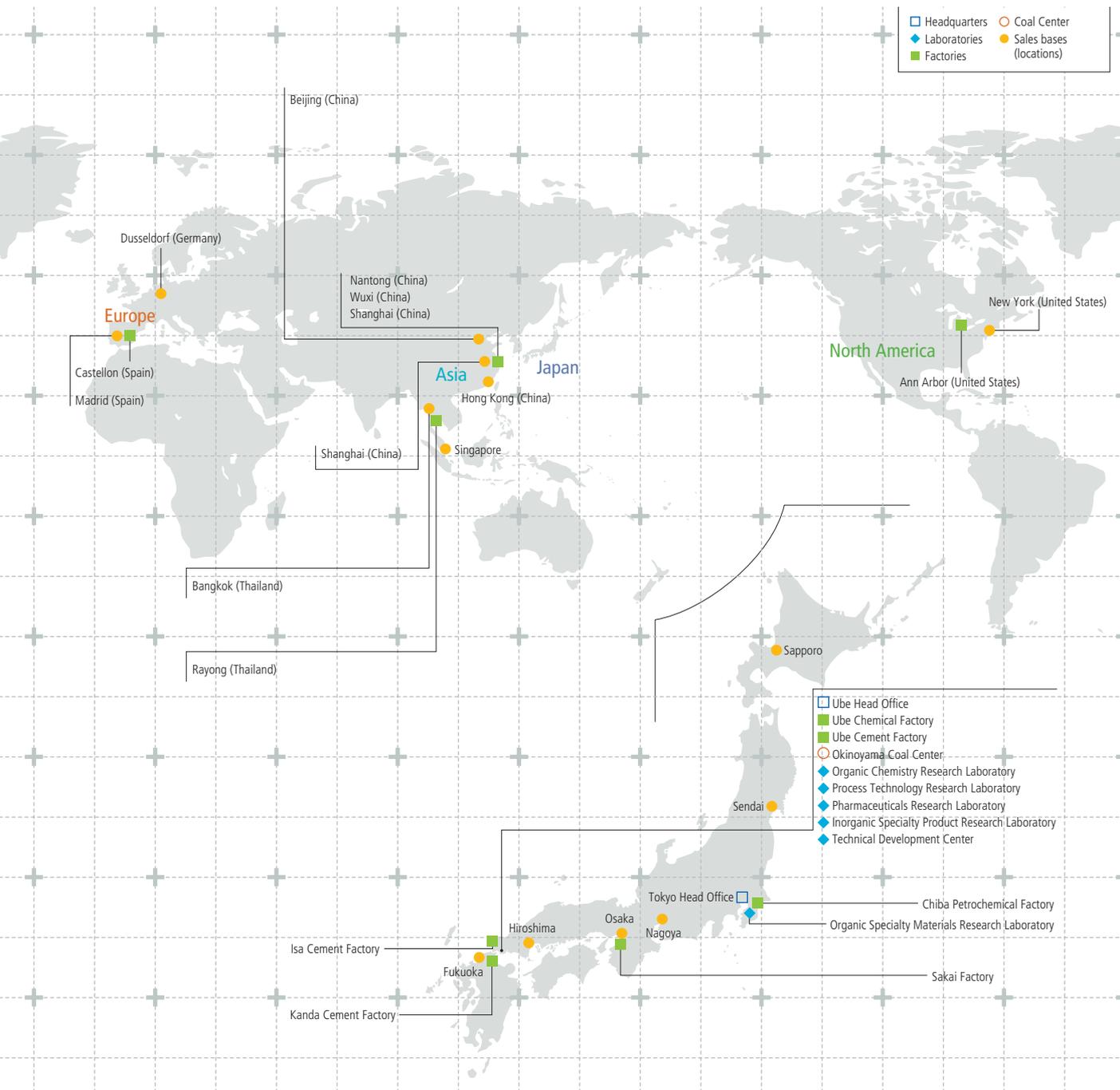
Chapter 8 International Society and the Corporation

As members of the international community, we will contribute to the development of the regions in which we are involved.

Chapter 9 Establishing Corporate Ethics

We will cooperate closely with UBE Group companies, suppliers and customers to establish corporate ethics based on these Action Guidelines.

Revised July 2009



Primary business of the UBE Group

Enhancing Transparency in Management to Become a Highly Reliable Company

In order to become a highly reliable company, we ensure timely, appropriate, and fair information disclosure, promote investor relations (IR) activities and encourage interactive communication with shareholders and investors.

Interactive Communication through IR Activities

UBE always conducts its IR activities in good faith, striving to promote understanding of the UBE Group's management strategy and business conditions in the capital market and to implement transparent management in order to earn the trust of the market. To this end, we are disclosing related information in a timely, appropriate and fair manner.

In addition, we are actively increasing opportunities for interactive communication with market participants such as shareholders, investors, and securities analysts, thereby promoting mutual understanding and incorporating market perceptions and evaluations into our management.

Based on the aforementioned IR policy, we are holding briefing sessions and tours of our factories that target both domestic and foreign investors as a means to directly communicate with them. We are also dispatching a range of information through our website.

The following were the main IR activities conducted in fiscal 2008.

- Results briefings for institutional investors and securities analysts (Held after full-year results were announced)
- Web-based conferences for institutional investors and securities analysts (Held on the day that quarterly results were announced)
- Overseas IR (Individual visits to institutional investors in Europe, the United States and Asia: Four times)
- Small meetings held with President (Three times)
- Factory visits (Four times, including overseas factories)
- Individual interviews with institutional investors and securities analysts (Approximately 250 per year)

For shareholders, we began publishing a semiannual financial report entitled, *Stockholder Communication*, in fiscal 2007 to replace conventional business reports. We use this report to make individual shareholders more aware and to introduce UBE's business details and strategies in a more intelligible manner. UBE will continue its commitment to timely, appropriate and fair information disclosure, and it will enhance interactive communication with investors.

● Ordinary General Meeting of Shareholders

In late June of every year, UBE holds its ordinary general meeting of shareholders in an open and transparent manner in Ube City, Yamaguchi Prefecture, where the Company was founded. More than 1,000 shareholders attend this meeting every year. After the meeting, we hold business briefings that help shareholders deepen their understanding of UBE's business, including a brief explanation by the president of what progress has been made in the medium-term management plan. We send invitations to the meeting to shareholders rather early so that they have enough time to examine the agenda for the meeting. We also provide notification of the meeting via our website to increase the availability of relevant information.

● Dividend Policy

UBE recognizes the payment of dividends to shareholders as an important responsibility to be fulfilled by the Company for its shareholders and makes it a fundamental policy to pay dividends at a level that is commensurate with its earnings results. At the same time, we must also bear in mind the need to maintain an adequate level of retained earnings in order to secure profits for shareholders on both a medium- and a long-term basis. We determine the amount of dividends to be paid to shareholders based on these overall considerations.

Based on our current medium-term management plan, we will pursue a steady increase of the dividend payment amount in line with the improvement of our business performance, setting the target payout ratio at 20% to 25%. In fiscal 2008, we increased our dividend per share to four yen.

● Ratings

UBE regards "sustained improvement of its financial position" as one of its key management priorities, and the entire UBE Group has been making efforts to achieve this target. UBE's current rating by Rating and Investment Information, Inc. is BBB ("stable") and by the Japan Credit Rating Agency, Ltd. is BBB+ ("stable"). We will push ahead to sustain the improvement of our financial position and further raise our rating.

In recognition of our environmental management practices, in March 2008, we received the highest rating available from the Development Bank of Japan in its Loan Program for Promotion of Environmentally Conscious Management. At the same time, we became the first comprehensive manufacturer of chemicals to receive a special commendation from the Bank. Subsequently, we received a loan from the Bank under the Program.

● Socially Responsible Investment (SRI) Index Rating

UBE was again selected in 2007 by FTSE4Good Global Index, a leading SRI index. This index measures the performance of companies that meet globally recognized corporate responsibility standards in terms of environmental measures as well as employment, labor and human rights issues, and is thus important as an investment selection standard for investors deeply concerned with CSR. The FTSE Group, which provides this index, is jointly owned by the Financial Times, a British financial newspaper, and the London Stock Exchange and develops leading stock and securities-related indices.



Results briefing session held in May 2009



FTSE4Good

Raising Customer Satisfaction by Providing Safe, High-Quality Products

At the UBE Group, the Group Product Liability and Quality Committee plays a central role in the implementation of intensive measures to comply with the REACH regulation, introduce GHS labeling in a planned manner, deal with hazardous substances contained in products, and strengthen quality management activities.

Working to Develop Product Safety and Quality Assurance

● The EU's REACH Regulation*1

Under the REACH regulation, all chemical products manufactured in or exported to the EU must be registered again after undergoing toxicity and risk assessments. Among the products made by the UBE Group, the regulation applies to those exported to the EU from Japan and Thailand as well as to those manufactured by Group companies in Spain. The pre-registration period was completed by November 30, 2008. The UBE Group will eventually complete the registration process for all of its products in 2018.

To comply with the REACH regulation, the UBE Group has to register a number of products. In order to ensure the successful completion of the registration process, which will extend over a long period, we established the REACH Promotion Office. This Office will take charge of the registration operations and lead the entire UBE Group toward the smooth completion of the process.

In fiscal 2008, in addition to confirming the products exported to the EU and the number of product items, along with conducting pre-registration procedures after having decided to register, we conducted supply chain and usage surveys and reconfirmed in-house test data. For some products, we completed early registration. From here on, we will jointly register with other companies in the consortia.*2 Through these registration procedures, we will ensure people's health and environmental safety from chemical substances, and accurately convey to customers the information required for risk management.

● Material Safety Data Sheet (MSDS)*3

To ensure the safe use of our chemical products, we have prepared MSDSs for all of our products, and we disclose them on our website and through other media. The MSDSs are also posted on the Group's intranet so that all the employees can share information on product safety and the safe handling of products. We have set the criteria for MSDSs in our Group regulations so that new information on the risks and toxicity of our products and on changes made to the relevant laws and regulations is constantly collected and incorporated into the data sheets. In fiscal 2008, we updated or newly created MSDSs, including GHS*4 and foreign language versions, for more than 200 products.

Staff Message

Working to Provide High-Quality Products and Services

The primary task in our assigned area of quality assurance and product liability (PL) is on Product Stewardship, assuring legal compliance and continuously reducing risks for humans and environment. One important task is to deal with the REACH regulation's impending registration deadline. Nearly 20 international consortia are already participating, and we promptly carry out our work in collaboration with UBE (Japan). At the



same time, we are taking steps to address quality standard ISO9001:2008. Through continuous improvements in the ISO framework, and by providing the highest quality products and services, we wish to maintain the good image of the UBE Group in global markets.

Maite Castillo

UBE Corporation Europe, S.A.
CSR Headquarters QA&PL Manager



REACH registration document



MSDS website

Glossary

*1 REACH regulation: Regulation on chemical substances enforced in the EU in June 2007 (REACH stands for Registration, Evaluation, Authorisation and Restriction of Chemicals.)

*2 Consortia: Formed voluntarily through agreements between companies to jointly obtain information required for the REACH registration and register the information obtained with the European Chemicals Agency

*3 MSDS: Documentation containing the product name, physicochemical properties, usages, and hazard and toxicity information

*4 GHS: Globally Harmonized System of Classification and Labelling of Chemicals (system of classification based on globally shared rules pertaining to risks and toxicity of chemical substances) is used on MSDS and container labels.

● Warning Labels

We clearly state the precautions for safe handling by affixing warning labels to the containers of our products. We are introducing GHS labeling as well as the Container Yellow Card*⁵ labeling system promoted by the Japan Chemical Industry Association (JCIA).

● Safety of Transportation

The Transportation Subcommittee, which is placed under the Group Product Liability and Quality Committee, makes an annual action plan, based on which the regional transportation councils are implementing measures to prevent transportation accidents and improve the quality of transportation.

The UBE Group is making concerted efforts with its partner companies to ensure the safety of its transportation activities. Specifically, we regularly check whether Yellow Cards*⁶ (emergency communication cards) are carried by our truck drivers, communicate and exchange transportation information among ourselves, examine the causes of transportation accidents, and conduct disaster prevention drills for the drivers of tankers.

● Participation in Chemical Safety Management Initiatives in Japan and Overseas

We have participated in the Japan Challenge Program*⁷ and have already submitted a written plan, which includes the presently available safety information and additional test results regarding oxalic acid and 12-aminododecaic acid.

Through the JCIA, we also actively participate in and support the ICCA*⁸ in its voluntary Long-range Research Initiative (LRI), which focuses on the effects of chemical substances on human health and the environment.

● Response to Green Procurement*⁹ by Customers

Consistent efforts are made to reduce the use of harmful materials in all products and incorporate design aspects that make for easy recycling, particularly in the electronic and electrical equipment manufacturing industry. As a supplier of both raw and processed materials, UBE takes a number of positive approaches to help its customers realize green procurement. As UBE itself is required to appropriately manage procured raw materials, it has established its own unique standards to promote the control of the substances contained in procured parts/raw materials.

● Quality Control Activities

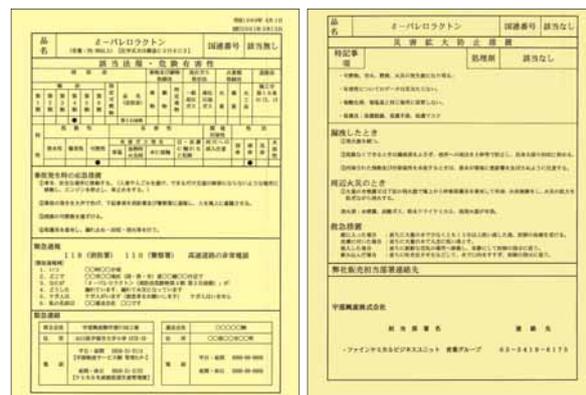
The UBE Group is systematically building a quality management framework and conducting activities to improve the quality of its products, based on its quality management system, which complies with relevant ISO standards. In fiscal 2006, we launched quality and product safety audits. Subsequently, in fiscal 2008, we implemented measures to manage substandard products and deal with complaints concerning our products in a more appropriate manner, to manage the resulting cost loss and to ensure product safety as part of our compliance measures. We will raise customer satisfaction by preventing these quality and product liability issues.



GHS/MSDS



EU Label



Yellow Card

Glossary

*⁵ Container Yellow Card (labeling system): A warning label that includes an emergency measure guideline number and UN number, used in the event of an accident under conditions where other information formats would be impractical because of mixed loading or small order shipments

*⁶ Yellow Card: Emergency card on which the product name, properties, handling methods, emergency measures and emergency contact number are entered in case of transportation accidents

*⁷ Japan Challenge Program: Chemical safety inspection program launched in Japan in June 2005 to gather information on the safety of existing chemical substances through industry-government collaboration and to disseminate that information to the public

*⁸ ICCA: International Council of Chemical Associations

*⁹ Green procurement: Procurement of materials conducted by companies based on their individual safety and environmental criteria established to meet the requirements of relevant legal regulations, including the EU RoHS Directive that restricts the use of certain hazardous substances in electrical and electronic equipment

Dealing with Suppliers in a Fair and Unbiased Manner Based on Free Competition

The UBE Group treats suppliers as good business partners and is committed to dealing with them in a fair and unbiased manner to mutually achieve sustainable development.

Basic Purchasing Policies

● Fair and unbiased transactions

We are committed to treating our suppliers in a fair and unbiased manner based on free competition and constantly search for opportunities to deal with new suppliers. We will cooperate with suppliers on a fair and equal footing and promote mutual understanding and relations of trust over a long-term basis.

● Objective selection of suppliers

We will choose suppliers from the viewpoint of economic rationality by comprehensively examining their quality, prices, and delivery schedules.

● Compliance with laws and regulations, and confidentiality

We will comply with all related laws and regulations and with social norms, and we will protect all the confidential information obtained in our purchasing activities.

● Green procurement and purchasing

We will choose environment-friendly products in our purchasing activities.

UBE engages in purchasing activities that thoroughly adhere to its purchasing policies.

● Approach to the Act against the Delay in Payment of Subcontract Proceeds, etc., to Subcontractors

We familiarize all employees on this Act by drafting Q&A and other documents that are easy to comprehend. In addition, we hold individual briefing sessions for each of the related in-house departments and Group companies, thereby ensuring that they understand and comply with the provisions.

● Approach to Green Purchasing*1

In line with the Law on Promoting Green Purchasing, the UBE Group encourages its employees to choose eco-friendly products in purchasing stationary goods, paper and work uniforms. We aim to increase the use of eco-friendly copy paper to 100%, and soybean ink is used to print this CSR report on paper certified by the FSC.*2 Through these efforts, the UBE Group's green purchasing rate has improved to 63%.



Briefing session on the Act held for a related department



Training through e-Learning

Staff Message

Endeavoring to Make Procurement Fair, Unbiased and Transparent

Based on its corporate philosophy and basic purchasing policies, the UBE Group constantly strives to conduct business transactions in an appropriate manner. Moreover, the Group aims to establish and maintain sound and equal partnerships in its business activities by always dealing with all suppliers in an equal, fair and sincere manner. This is based on the idea that our business activities cannot be developed without gaining the cooperation and support of suppliers. UBE aims to build further on this relationship of trust by continuing to undertake procurement activities that are fair, unbiased and

transparent. With this in mind, we would like to thank our suppliers for their ongoing support.

Harunobu Maeda
Raw Fuel Group, Procurement Department,
Procurement & Logistics Division



Glossary

*1 Green purchasing: To purchase products and services that have minimal environmental impact from suppliers who are committed to reducing their environmental impact, considering not only the quality and price of the products, but also the environment

*2 FSC: Forest Stewardship Council

Enhancing Human Resource Development by Actively Adopting Employee Diversity and Helping Them Exercise Their Respective Abilities

Viewing human resources as our most valuable management assets, we stress human resource development through the employment of a wide range of talent and the enhancement of our training system.

Diversification of Employment

● Reemployment System

In fiscal 2006, the UBE Group introduced a reemployment system for retired workers so that they can pass down their skills and abilities, mainly in the area of human resource development. The reemployment period is set at one year, and can be extended each year. In fiscal 2008, we reemployed about 60% of those retired.

● Employment of People with Work Experience

In order to have human resources with a variety of skills and experience, we actively employ mid-career workers. The number of mid-career workers employed by the UBE Group—mainly those having expertise in technologies and knowledge and for which Group human resources are insufficient—has been increasing year by year. After entering the Group, these mid-career workers exercise their abilities by using the work experience gained at the workplaces to which they were assigned in the past.

UBE's Employment Status

	2006	2007	2008
New graduates	124	131	148
New graduates deployed as generalists	49	46	53
Mid-career employees	63	107	100
Percentage of people with disabilities (annual average (%))	2.11	2.09	2.03

Note: The number of new graduate employees is the fixed number of new employees who joined the company in April, and the number of mid-career employees is the number of employees for each full fiscal year.



New employee training:
Run on teamwork!

● Employment of People with Disabilities

In order to promote the employment of people with disabilities across the Group, we organized a network to support the employment of people with disabilities, leveraging the relevant expertise accumulated in our special-purpose subsidiary, named Libertas Ube, Ltd. (established in April 1991).

In March 2009, Libertas Ube, Ltd. acquired Certification of Good Standing as an Employer of Persons with Disabilities (Heartfelt Ribbon Mark). Libertas Ube has been highly commended for its long efforts in promoting the employment of persons with disabilities and is one of 16 companies in Japan that has been granted certification. Centered on Libertas Ube, we will continue to promote the employment of persons with disabilities throughout the Group.



Certification of Good Standing as an Employer of Persons with Disabilities

Addressing Human Resource Development

● Human Resource Development and Personnel System

The UBE Group gives top priority to human resources among its management assets, and it is committed to developing highly skilled professionals who can act independently and produce results. The basic image that the UBE Group promotes for individual employees is that of someone who has unparalleled skills, sets their own goals, works independently and takes on new challenges while being unafraid of change.

In order to develop superior human resources, we must enhance development in the following key areas: 1) On-the-Job Training (OJT); 2) Instructor-Led Training (Off-the-Job Training); and 3) Self Improvement Support Programs. At the same time, for career development, we have instituted a support system so that all UBE employees can fully exercise

Training Programs

Career Education (Group Education)

- Guidance and education for new employees
- Follow-up training for new employees
- Generalist third-year training
- Key employee tenth-year training
- Career design training
- New supervisor training
- New management training
- Follow-up training for new employees
- FMiddle-rank management training "Refresh" training
- New executive training

Training by Theme (Group Education, e-Learning)

- Elder training
- Line management training
- Compliance training
- Information security training
- Mental health training
- Human rights education
- Patent training
- MOT training
- Coaching training
- Common specialized technology education

Selective Training (Group Education, External Courses)

- International business personnel development (Overseas MBA programs, law school programs and overseas trainee system)
- Leadership training (Business leadership training and management leadership training)
- Studying Abroad Program (Programs in universities and research institutes in Japan and abroad)
- Language School Training Program (Language school program in Japan)

Support for Self-Improvement

- Home-study courses
- Official certification
- TOEIC exams

their abilities in carrying out their work. Under this system, employees prepare "Career Development Sheets" and "Employee Development Plan Reports," opportunities are provided for interviews with their superiors and, when necessary, the employees are rotated to enable them to gain a broad perspective and learn specialized skills.

Moreover, UBE has introduced an evaluation system that incorporates a goal management system and a performance-based component. By organically linking the above-mentioned development, evaluation, qualification and compensation systems, and impartially evaluating individual efforts, UBE seeks to create a workplace that is challenging and motivating for every employee.

● Environment and Safety Education

We provide employees with practical education on the environment and safety and encourage all employees to acquire the necessary knowledge, practical skills, and relevant qualifications, such as the public certification required for the operation of equipment in factories.

In addition, we have incorporated mental health education within career education courses (training for new managers, etc.) to ensure that employees receive appropriate training according to their particular circumstances. We have also included the elements of environmental impact assessment in our in-house documents that are circulated for managerial decision making on capital investment and in written proposals submitted for improvement activities to be conducted within the organization, aiming to raise the environmental awareness of all employees.

Quality Working Environments

● Relationship with the Labor Union

Management policies could not be successfully implemented without the employees' understanding of and cooperation with the policies. UBE has been maintaining a favorable labor-management relationship based on a collective labor agreement concluded with its labor union. The two parties exchange opinions frankly and discuss matters at various labor-management meetings attended by top management, which helps management raise employees' awareness of its policies and plans and helps the labor union have its opinions reflected in the corporate management policies.

● Respect for Human Rights at Workplaces

In its Action Guidelines for Business Conduct, the UBE Group promises that it will not act against social norms and that it will respect human rights and develop healthy, bright and motivating workplaces. We regard respect for human rights as a fundamental rule guiding the corporate activities of the UBE Group.

We have established the Human Rights Education Promotion Committee, which provides human rights education to employees, including training for directors, site training, and external training courses, as a way to help employees respect and work comfortably with each other by understanding and recognizing the importance of human rights issues.

● Prevention of Sexual Harassment and the Abuse of Power

As countermeasures against sexual harassment and the abuse of power, we provide all employees with education so that they can respond appropriately if faced with such problems at their own workplaces. In addition, we have consultants on sexual harassment (and abuse of power) and the UBE C-Line notification system in place to help employees solve these problems promptly.

For Better Work-Life Balance

● Leave for Volunteer Activities

UBE employees are able to accumulate leave entitlements for special purposes. In fiscal 2006, this system was expanded to include the use of volunteer activities that contribute to society or local communities.

● Childcare and Nursing Care Leaves

To maintain a good balance between their work and private life, UBE employees can not only take vacations, but can also take childcare or nursing care leave, work shorter hours or flextime hours, or cap the number of overtime hours, depending upon how much time they have to spend in taking care of their children or other family members.

Number of Employees Taking Childcare/Nursing Care Leave

	2006	2007	2008
Childcare leave	21	24	12
Nursing care leave	0	2	0

● Flexible Working Systems

We have introduced multiple working systems, including a flextime system and a self-managed work system,* to enable employees to work in a flexible and efficient manner. We are also committed to appropriately managing employees' working hours. For example, we demand that departments with long overtime work hours implement measures to reduce these hours, and we ask employees who have worked overtime beyond a certain limit to meet and receive advice from an industrial doctor.

*Self-managed work system: A work system whereby the necessary procedures for carrying out one's work and the allocation of work time are independently established through worker self-management in order to achieve work goals.

● Incentives for Taking Annual Paid Vacations

As an incentive for getting employees to systematically take annual paid vacations, not only do we ask employees to set scheduled vacation dates in advance for every six-month period, but we also take steps to reduce actual working hours by setting an annual paid vacation incentive day at the beginning and end of the year and during the Obon summer holiday.

Supporting the Independent Efforts of Employees to Safeguard Their Health

For employees to live up to their potential at work, it is essential that they look after their physical and mental health. Accordingly, we place a strong emphasis on such health management measures as providing health checkups and health guidance, thereby helping them live a healthy lifestyle.

Developing a Comfortable Workplace and Undertaking Initiatives to Maintain Employee Health

● Meet and Greet Campaign

Since fiscal 2004, the UBE Group has been implementing this campaign to encourage employees to exchange words of greeting and encouragement as a way to promote better communications at their workplaces. By extending this campaign to the UBE Tokyo Head Office and the Kyushu Building Materials Branch in fiscal 2008, the Meet and Greet Campaign is presently being undertaken at 68 operating sites within the UBE Group.

● Installation of Automated External Defibrillators (AEDs)

The UBE Group is moving forward in the installation of AED equipment in the event that an individual goes into cardiac arrest at one of its operating sites. Having already installed 32 AED units Groupwide, UBE is establishing systems to respond to emergency situations that include conducting training sessions on the use of AED equipment and cardio-pulmonary resuscitation.

● Mental Health Care

With 60% of working people nationwide experiencing a high degree of work-related anxiety, worry and stress, the UBE Group conducted mental health training sessions for new employees, mid-level non-managers, new managers and mid-level managers in fiscal 2008. In addition, the Group lends its support to employees who have taken a leave of absence due to mental illness in an effort to help them return to work. This is made possible through the cooperation of industrial doctors and the public institution, Yamaguchi Vocational Center for the Disabled. In fiscal 2009, the Group implemented its Organizational Stress Check in order to survey the mental health and stress level of employees. This initiative has been useful in increasing the mental health of employees.

● Specified Health Checkups and Health Guidance

UBE promotes measures that enlighten employees regarding the improvement of lifestyle habits through such actions as conducting group education, primarily by health nurses and nationally registered dietitians. Since fiscal 2008, efforts to provide instruction to improve lifestyle habits—based on the Ministry of Health, Labour and Welfare's specified health checkups and specified health guidance measures—have yielded beneficial results for a significant number of employees.

● Measures to Improve Dietary Habits

Dietary habits comprise an essential part of lifestyle habits. We have improved the meals provided at our dormitories and canteens with the help of nationally registered dietitians and are implementing measures to raise the awareness of employees about the importance of good dietary habits. Consequently, we achieved major successes in fiscal 2008 in such areas as initiatives to improve the quality of food served at employee dormitories and canteens in the Tokyo district by providing delicious and healthy menu choices.

● Blood Donation Activities

The total number of individuals who donated blood during the previous one-year period in Ube City was 6,250. Within this, the number of UBE Group employees who cooperated with these efforts totaled 1,105, accounting for 18% of the overall total. UBE Group employees will continue make a contribution to the local community by actively cooperating with health volunteers during blood donation drives.



Meet and Greet Campaign



AED



A specified health checkup in progress
(taking a waist measurement)



Blood donation activities

Staff Message

Supporting Everyone's Health and Safety

Be healthy and be safe! As an industrial doctor, it is necessary to carry out my duties at the medical office (health management, health guidance and various types of counseling and interviews), while observing employees in the workplace (work management, work environment management, workplace inspections and health education). I do my utmost to support the health and safety of all employees by getting to the root of issues being raised in the workplace. I would like to work together with everyone to create a safe workplace and ensure the health of all employees in order to facilitate active lifestyles throughout everyone's career and well into retirement.

Naoki Shiota

Chief Industrial Doctor
Health Care & Support Office
Health Care & Support Center
Environment & Safety Department



Promoting Mutual Understanding with Local Communities through Social Contribution Activities

The UBE Group promotes mutual understanding with local communities at its sites in and outside Japan by supporting a variety of social contribution activities.

Support of Culture and Art

● The UBE Foundation

The UBE Foundation (Director: Hiroaki Tamura) was established in 1959 as the Watanabe Memorial Science Foundation at the bequest of the late Takaji Watanabe, the founding chairman of UBE. The Watanabe Memorial Science Foundation was renamed the UBE Foundation in 1998 as part of celebrations to mark the 100th anniversary of the Company. The Foundation aims to promote academic research activities and improve research facilities in Japan, thereby assisting academic researchers in their activities and contributing to the future development of academic culture.

Fiscal 2008 marks the 50th anniversary of the foundation's establishment, and the number of Ube Foundation grant recipients has been increasing every year. Moreover, the Ube Foundation Grand Prize was established as a special award.

In June 2009, the 50th Anniversary Celebration of the UBE Foundation's establishment was held, as was an UBE Foundation Award Ceremony and a symposium.

Ube Foundation Grand Prize Recipient

Name	Position held	Research theme
Akio Uemura	Professor, Graduate School of Medicine, Yamaguchi University	Creation of new cell loss decomposition reaction using ionic liquid

UBE Foundation Grant Recipients

Name	Position held	Research theme
Mitsuhiro Wada	Associate Professor, Graduate School of Biomedical Sciences, Nagasaki University	Development of a new in vivo analytical method for a redox environment based on highly sensitive reactive oxygen species, chemiluminescence measurement and its deployment in food efficiency assessment
Kazushi Kinbara	Professor, Institute of Multidisciplinary Research for Advanced Materials, Tohoku University	Creation of stimuli-responsive luminescence material using mesostructured silica
Hideki Amii	Associate Professor, Graduate School of Science, Faculty of Science, Kobe University	Development of a fluorine compound synthetic process adopting a single-bond metathesis reaction
Motoi Oishi	Lecturer, Graduate School of Pure and Applied Sciences, University of Tsukuba	Creation of a colloided gold internal capsule-type PEGylated nanogel particle that enables cancer to be pinpointed and treated
Masato Mikami	Associate Professor, Graduate School of Science and Engineering, Yamaguchi University	Study concerning a complex percolation model accompanied by a reaction
Yoshihiro Takihara	Professor, Research Institute for Radiation Biology and Medicine, Hiroshima University	The role of HOX in new molecular function and leukemia

Recipient of the Watanabe Memorial Special Grant

Name	Position held	Research theme
Mitsuaki Fujimoto	Lecturer, Graduate School of Medicine, Yamaguchi University	Clarification of the sustaining mechanism of protein homeostasis based on a new heat-shock transcription factor

● Watanabe Memorial Culture Association

Established in 1936 as a private bequest of the late Sukesaku Watanabe, the founder of UBE, the Watanabe Memorial Culture Association (Director, Hiroaki Tamura) was founded to increase the welfare of the citizens of UBE City and to advance the city's culture, and it therefore supports a variety of lectures, musical concerts and cultural and art-related activities.

In August 2008, UBE co-hosted the first UBE Group Charity Concert performed by the Japan Philharmonic Orchestra, and in September UBE donated \$5,000 to both the Watanabe Memorial Book Collection within the Ube City Library and the Watanabe Memorial Culture Association Picture Book Collection.

The Watanabe Memorial Book Collection was donated to the Ube City Library in 2006 and amounts to more than 2,000 books, primarily in the field of art. Moreover, the Picture Book Collection for kindergartens and child-care centers contains more than 1,200 books that can be checked out in sets of 20 books.

The Foundation's 50th Anniversary Celebration (Top)
The UBE Foundation's award ceremony (Bottom)



● Charity Concert Held by the Japan Philharmonic Orchestra

Based on the philosophy of "living and prospering together," advocated by UBE's founder, Sukesaku Watanabe, Ube Industries held the first UBE Group Charity Concert in August 2008 for the purpose of contributing to the promotion of local culture through music. The concert featured the Japan Philharmonic Orchestra performing in Ube City's Watanabe Memorial Hall.

The Watanabe Memorial Culture Association provided Ube City elementary and junior high school students with musical instruction by holding a "hands on concert" with members of the Japan Philharmonic Orchestra. UBE also held "hands on concerts" for patients admitted to Ube Industries Central Hospital with the aim of providing healing through music.

With the proceeds from these concerts being donated to the local community, five municipal junior high schools in Ube City were given musical instruments, while the Ube City Folk Orchestra and the Ube Music Appreciation Society received monetary donations. UBE will hold its second Annual Charity Concert on October 4, 2009.

● Bungeishunju "Global Topics"

To commemorate the 30th anniversary (and 360 consecutive installments) of UBE being featured in the "Global Topics" corporate advertising section

of the monthly magazine, *Bungeishunju*, marked by the publication of the December 2008 issue, a celebration was held by those involved. "Global Topics," which humorously documents the experiences of UBE Group employees worldwide in the form of a short story, has continued for 30 years owing to the favorable reviews it has received from readers. In light of this, Bungeishunju Ltd. has organized these stories into a book that is currently on sale.

● Official Sponsor of the 66th National Sports Festival in Yamaguchi and the 11th National Sports Festival for the Disabled in Yamaguchi

The UBE Group has become an official sponsor of the 66th National Sports Festival in Yamaguchi and the 11th National Sports Festival for the Disabled in Yamaguchi, which are to be held in Yamaguchi Prefecture in 2011. The UBE Group has pledged its full support to both of these sports events from here onward.

Furthermore, athletes who have registered for soft tennis, softball, badminton and rugby events at these national sports festivals receive support at both the municipal and prefectural levels. The UBE Group is associated with a number of these athletes and anticipates stellar performances from them.



Charity concert held at the Watanabe Memorial Hall

First UBE Group Charity Concert



Guest Message

Making the Lives of Children More Colorful

The "hands on concert" gave approximately 150 elementary and junior high school students in Ube City the opportunity to appreciate a truly wonderful musical performance as well as the once-in-a-lifetime chance to play music under the direction of premier Japanese musicians. In this way, coming into contact with true art while participating in activities that facilitate musical expression can have a profound impact on the minds of children during a period of their lives when they are very impressionable. Thus, I am

certain that this experience will make their lives more colorful. I would like to extend my appreciation to UBE Industries for the contributions they have made over many years to the cultural development of Ube City.



Shokei Maeda

Superintendent, Board of Education (at the time)
Ube City Board of Education



A French horn being presented to Kawakami Junior High School

Communication with Local Communities

● UBE Awarded PRTR Grand Prize

At the fifth Management of Chemical Substances and Risk Communication Awards, hosted by the Center for Environmental Information Science, the UBE Head Office and Ube Chemical Factory received the PRTR Grand Prize in 2008.

The PRTR Grand Prize recognizes companies and business facilities that understand the purpose of the PRTR system, take a leadership role in the administration of chemical substances and actively communicate with citizens to gain their understanding. For this reason, the Center for Environmental Information Science established this awards system with the support of the Ministry of Economy, Trade and Industry, the Ministry of the Environment and other organizations. UBE has been rated highly under this system for its efforts to fully coordinate the administration of chemical substances between the head office and its manufacturing facilities by undertaking risk assessments and establishing an odor monitoring system in the Ube district, while continuing to hold independent dialogue meetings to facilitate in-depth discussions with local residents concerning chemical substances.



2008 PRTR Grand Prize Ceremony

● 7th Responsible Care (RC) Regional Dialogue Meeting Held in the Chiba District

The Japan Responsible Care Council (JRCC) holds its RC Regional Dialogue meetings mainly in regions where industrial complexes are located. As a member of the Council, UBE participated in the 7th RC Regional Dialogue meeting held at the Chiba Petrochemical Factory in February 2009. Prior to the discussions, a plant tour of the Chiba Petrochemical Factory was held for 80 people representing local neighborhood associations, local governments and university students, all of whom received an explanation of the RC activities undertaken by UBE.

● RC Dialogue Meeting in the Ube-Onoda District

UBE and five other companies belonging to the Ube-Onoda Branch of the JRCC jointly held the 6th annual RC Dialogue meeting in the Ube-Onoda district in February 2009. During this event, approximately 30 people representing local residents, environmental NPOs, consumer associations, local governments and universities participated, along with businesses.

Following a plant tour and an explanation of each company's initiatives over the past year, discussions were divided into three tables based on the following topics: Odor, Air and Water Pollution, and Anxiety/Security (Disaster Prevention and Earthquakes). During the subsequent overall discussions, each table explained the contents of their deliberations. The debates that followed gave the dialogues deeper meaning.



7th RC Regional Dialogue meetings held in the Chiba District



Orchestra members together with junior high school students playing music during the "hands on concert" held at Kami-Ube Junior High School

"Hands on concert" at Ube Industries Central Hospital

● Participation in Local Events

UBE Group sites sponsor various local events to promote harmony with local communities. For example, the Ube Chemical Factory held a summer festival named "The Third Chemical Summer Festival" in August 2008, in which as many as 2,000 people participated. In addition, the second Ube Festival was held in the Chiba area, with local government officials and members of local boys' baseball teams invited. Five hundred employees from local UBE Group companies participated in the festival.

The Isa Cement Factory participated in Mina City's Ammonite Festival, and the famous "Dragon Dance" drew wide applause from citizens.

In order to harmoniously coexist with local communities, each business office participates in this way in a wide range of community activities.

● Plant Tours

The UBE Group factories and research institutes regularly welcome stakeholders to their facilities, including students from local schools and members of various organizations.

In fiscal 2008, the number of people participating in tours to UBE Group factories in the Ube District reached 6,601, up by 1,342 visitors from the previous year's level. The factories in the Ube and Chiba Districts also run annual open-house days for the families of employees, and these have proved highly popular among the families.

Development of Next-Generation Human Resources

● Chemistry Experiment Event for Children

Every year, UBE invites schoolchildren to attend chemistry experiment programs during their summer vacation. The purpose of such activities is to help

children experience the fascinating world of chemistry by providing them with easy-to-understand explanations of the Group's advanced technologies.

In 2008, the 20th Summer Holiday Junior Science Class was held at the UBE Head Office, where Ube Information Systems, Inc. conducted fun experiments in a project that had the children create key holders and t-shirts using personal computers. In Tokyo, the Organic Specialty Materials Research Laboratory and the Electronic Components & Materials Business Unit held the Dream/Chemistry-21 Children's Summer Holiday Chemistry Experiment Show in Tokyo, where children enjoyed creating their own original bookmarks using high-performance plastics.

In addition, at the "Interesting and Exciting Chemistry World Exhibition 2008 in Yamaguchi," held at Onoda Sun Park (Sanyo Onoda City), the Organic Chemistry Research Laboratory demonstrated "flow visualization," in which those in attendance were able to see the complex flow of liquid.

● Internships (Training at Factories)

As part of its CSR and recruitment activities, UBE annually accepts some graduate students from universities and students from specialized vocational high schools under its internship program.

In August 2008, we accepted 21 students as trainees from 14 specialized vocational high schools throughout Japan—from Tohoku to Kyushu. They were divided into three groups, and the groups received training at one of the following three sites for five days: the Ube Chemical Factory, the Ube Cement Factory, and a power generation facility. We also accepted five university students for training programs lasting from two weeks to three months at production facilities and laboratories.

Furthermore, each year we offer internships (four internships were completed in fiscal 2008) at the Organic Chemistry Research Laboratory through a comprehensive partnership with Yamaguchi University.



Isa Ammonite Festival's Dragon Dance

Ube Festival
in ChibaElementary school students visiting
the UBE-i-Plaza comprehensive information center
at the UBE Head OfficeDream/Chemistry-21 Children's Summer Holiday
Chemistry Experiment Show

● **Education for Junior High School Students: Special Classes on the Preciousness of Life**

Maternity nurses from Central Hospital conducted special classes at nearby Junior High Schools on the "preciousness of life." At the beginning of the class, students were introduced to the sound of a baby's heartbeat in the womb (Doppler sound) and viewed a childbirth on video, witnessing the preciousness of life. In the second half of the class, under the title, "A junior high school student's body is in the process of becoming an adult's," the subjects of sexually transmitted disease and prevention are explained. Students learned more about the preciousness of life through a model of a baby in the womb and the two maternity nurse instructors later received written reports from 150 students.

Voluntary Tree- and Flower-Planting Activities

In November 2008, 110 employees of the UBE Group participated in the First Forest Creation Experiential Activity for Water Conservation (Sponsor: Yamaguchi Prefecture Mine Agriculture and Forestry Office) by pruning, thinning and planting Japanese cypress trees. Through these efforts we established a forest at the headwaters of Lake Ono in order to maintain a nearby industrial water supply and a stable supply of drinking water.

Moreover, employees voluntarily plant flowers within the premises of UBE Group sites as a beautification measure. Of special note, the Ube

Interesting and Exciting Chemistry World Exhibition 2008 in Yamaguchi (Top)

Special Classes for Adolescent Education of Junior High School Students (Bottom)



Tours of Local Industrial Facilities Poster

First Forest Creation Experiential Activity for Water Conservation

Chemical Factory competed in flowerbed contests held by Ube City, winning a prize in the model category in 2007 and receiving the Grand Prize in 2008.

Tours of Local Industrial Facilities

Again in 2008, the UBE Group participated in tours of local industrial facilities. These tours have been conducted by a local council established to promote industrial tourism in the region. In the project, corporate contributors to the development of local communities and protection of the environment are introduced to participants. Entitled, "Three Cities, Three Influential Men and 24 Stories," the tour takes people to places closely connected to the three men, including Sukesaku Watanabe, the founder of UBE, who were instrumental in the development of the cities of Ube, Mine and Sanyoonoda, starting with visits to UBE-i-Plaza, the Isa Cement Factory and the Coal Center. These tours have been favorably received.

Guest Message

Eminent "CSR Tour" Begun in May

In November 2007, the UBE-i-Plaza was established to commemorate the 110th anniversary of UBE. In addition, a tour of industrial facilities that visits the cities of Ube, Mine and Sanyoonoda and cultural assets started off under the title "CSR Tourism." Also in 2008, bus tours began in July, and they have taken 473 people from all over Japan along 24 different courses.



In 2009, we offered "CSR Tours" from May along 20 different courses. We look forward to everyone's participation. Incidentally, I am one of the tour leaders who acts as a tour guide.

Teruhiro Watanabe
 Director, Ube Industries Retired Persons Committee

Activities in Thailand

The three companies comprising the Thai UBE Group (Thai Caprolactam Public Co., Ltd., UBE Nylon (Thailand), Ltd., and Thai Synthetic Rubbers Co., Ltd.) are promoting communication with local residents through multiple activities, based on the idea that the UBE Group is a part of the community.

● Organization of the One-Day Summer Program

The One-Day Summer Program that we hold for local children—which has become an established custom—marked its 10th anniversary in fiscal 2008. Employees of the Thai UBE Group and local university students participate as instructors in the camp.

● Chemical Engineer Training Project

As a founding member, the Thai UBE Group began making monetary donations to Mabtaput Technical College's chemical engineer training project, which was launched March 2008. In addition, the Group accepts students for on-the-job training programs held at its manufacturing facilities so they can learn the skills required to work in petrochemical factories in the future.

● Volunteer Activities that Revitalize Local Communities

Promoting local community-based activities known as "Better Quality of Living," we lent our support to the donation of garbage cans to various local towns as well as to mosquito control programs and mobile public health clinics, both of which are managed by Thailand's Ministry of Public Health. These mobile public health clinics visit areas near Group manufacturing facilities once a month to provide health examinations. We also provide assistance to the Thai Government's Antinarcotics Program and the Accident Victim Relief Club.

● Sports Promotion

The UBE Community Park was opened near the Thai UBE Group's manufacturing facility located in Rayong Province in July 2008. Beyond being a place where people can enjoy sports, the UBE Community Park accommodates a wide array of uses, including various activities geared toward the local community.

● UBE Charity Golf Tournament

The Thai UBE Group holds charity golf tournaments to provide support to the "I Love Reading" program for children, with monetary donations going to the purchase of reading materials for five local schools.



Thailand

- ① Children participating in the One-Day Summer Program
- ② Students from the Mabtaput Technical College in training
- ③ Garbage cans being donated
- ④ Opening ceremony for the UBE Community Park
- ⑤ Local residents exercising in the UBE Community Park
- ⑥ Children playing on playground equipment in the UBE Community Park
- ⑦ Monetary donations to purchase reading materials for local schools
- ⑧ A health examination being conducted by a mobile public health clinic

Spain

- ⑨ Members of parliament invited on a tour of UBE facilities
- ⑩ Simulations for high school students
- ⑪ Special workshops on plastic materials
- ⑫ Castellon 10km Marathon
- ⑬ "L' Illa-Grau" volleyball team
- ⑭ National Special Olympics

Activities in Spain

The three UBE Group companies in Spain (Controlling Company: Ube Corporation Europe, S.A.) comply with the global Responsible Care (RC) initiative, take steps to improve communication with local communities and actively promote social contribution activities. A wide range of activities were carried out in 2008.

● Sponsorship of Facility Tours

UBE sponsors numerous factory tours for nearby schools, PTA representatives, teachers, government officials, legislative members and others, and 130 other people have participated in these tours thus far. We have established innovative and well-received programs that enable the acquisition of knowledge and experience outside of business activities by providing opportunities during factory tours for high school students to participate in simulated experiments to experience the actual functioning of water drainage treatment equipment and by inviting local academic experts to give talks on municipal waste treatment systems to PTA representatives and teachers.

● Exchanges with High Schools and Universities

In May 2008, UBE supported the 21st National Chemical Olympics for high school students, which was held in Castellon. We also supported brief

special courses for science teachers and special courses covering plastic materials that included a tour of the Engineering Plastics R&D Center

In addition, we have deepened exchanges with Jaume I, a local university that has graduated many of the people who now staff the UBE Group in Spain, by accepting about 10 students every year as interns in such divisions as accounting, manufacturing, technology and R&D with our staff serving as teachers and instructors.

We continue to support Castellon's Business University Fund and master's program for energy conservation and the sustainability of industrial facilities and equipment.

● Support for Sports Activities

We continue to actively support a range of local sports teams and clubs, including the Playas de Castellon volleyball team, the L'illa-Grau volleyball team, a fishing contest sponsored by a sailing club and the Castellon 10km marathon.

In October 2008, we sponsored the national Special Olympics for the mentally handicapped, which was held in Castellon.



Guest Message

The Thai UBE Group is close to our community.

Prior to becoming the village head I had seen UBE's ongoing CSR activities. They are closely related to the community and include such activities as supplying water for daily life and installing toilets in schools and temples. They demonstrate a strong desire on UBE's part to build good relations with the community. As the community's sports club leader, I really think it is wonderful that UBE established the UBE Community Park.



And I must add that even if an unanticipated situation arises or a mistake is made, UBE swiftly resolves it. UBE always maintains close relations with our community.

Tanbon Tabon Mu IV, Village Head (Thailand)
Kunin Ranson



03

Initiatives for Environment and Safety

At the UBE Group, conserving the environment and protecting health and safety come first in its business operations. This is necessary in order to provide products and services that make people's lives better and to achieve solid and sustainable growth.

UBE Group Environmental and Safety Principles

As members of society, corporations must be fully conscious of their responsibilities regarding their contributions to society, environmental preservation and the maintenance of health and safety in performing their corporate activities.

The UBE Group shall pursue the following vision in order to perform its leadership role, and shall work to improve the quality of the environment and safety among all of its Group companies through publication of performance reports and implementation of dialogue with society.

Operational Safety

Ensuring operational safety shall be the priority in all areas and activities under UBE's commitment to respect human life.

Process Safety

Maintenance of process safety shall be part of its basic mission as a manufacturer.

Environmental Preservation

As a responsible corporate citizen, the UBE Group shall act positively to protect and improve both community and regional conditions and work for the preservation of the global environment.

Product Safety

The UBE Group shall pursue its corporate responsibility in providing its customers and the public with safe and reliable products.

Health Management

The UBE Group recognizes that maintaining and promoting the health of its employees is the basis of corporate and social vitality.

Revised in July 2009



Hiroaki Tamura

President and Group CEO, Representative Director

The UBE Group actively promotes projects that enable reductions in CO₂ emissions and the creation of a recycling-based society in all of its wide-ranging business fields, while contributing to a low-carbon society through its technologies and products.

With its origins in the coal industry, UBE is consistently concerned about issues related to energy and the environment. For this reason, the Company has produced new technologies and products that contribute to a wide array of global environmental preservation efforts, including energy conservation processes, gas separation membranes and the processing of waste materials at cement factories. UBE has also undertaken development activities with an eye on the future by producing technologies in such areas as the gasification of waste plastic—for which the Company has been undertaking pioneering initiatives worldwide—and biomass power generation.

UBE established the Global Warming Countermeasures Promotion Office as an organization dedicated to investigating and promoting measures to conserve energy and reduce CO₂ emissions in the mid- to long-term in order to further bolster company initiatives to prevent global warming. In terms of its various products, UBE will take steps to reduce environmental impact throughout product life cycles and make greater efforts to improve material and technological development, while contributing to a low-carbon society through its technologies and products.



Yasuhisa Chiba
Vice-President and Group CTO,
Representative Director

Protecting the Environment and Promoting Health and Safety for Employees and Local Communities through Top-Down Management

The UBE Group has been carrying out responsible care (RC)^{*1} activities across all of its business fields, from the Chemical segment, the Cement & Construction Materials segment, and the Machinery & Metal Products segment to the Energy and Environment segment.

Environment and Safety Promotion System

The UBE Group has established the Group Environment and Safety Committee and the Group Product Liability and Quality Committee as the top decision-making organizational units for the promotion of "Environmental and Safety Principles." These committees—which consist of the members of the Group Strategic Management Committee and are chaired by the CEO—determine and review the Group-level policies and measures relating to the environment, occupational safety, health, and product safety.

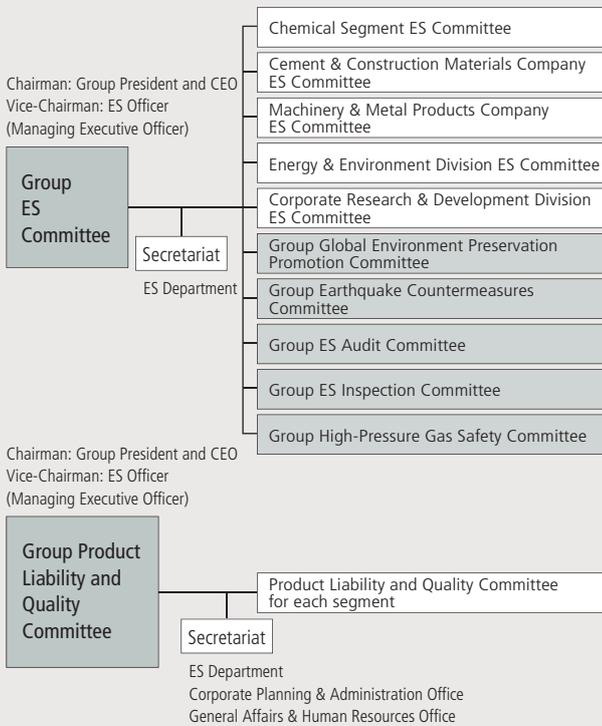
Each of these two decision-making units has five subordinate committees of the same name for segments involved in promoting measures for the environment, occupational safety, and product safety in their business segments, according to the policies and measures determined by the Group committees. Besides such segment subcommittees, the Group Environment and Safety Committee has individual subcommittees with responsibility for five specific areas, and they discuss and review concrete action plans and prepare various related reports.

Responsible Care Management System

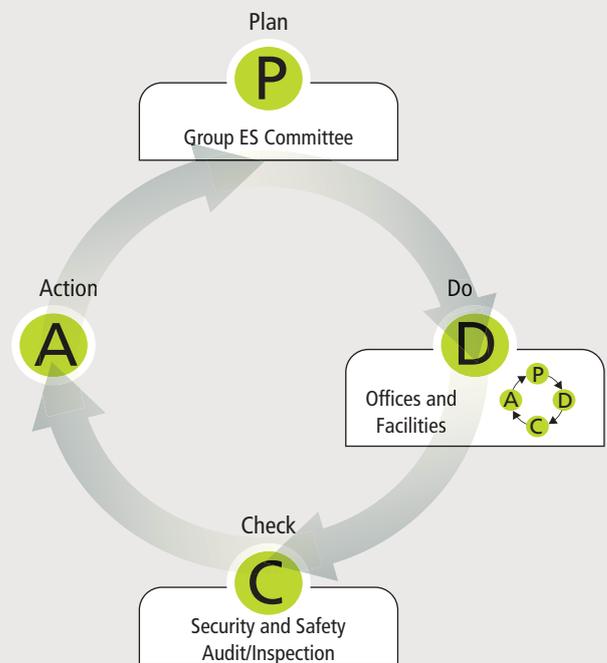
Using the Plan-Do-Check-Action (PDCA) management cycle, we are promoting continuous improvements.

The UBE Group's fiscal environment, health and safety measures, which the Group Environment and Safety Committee deliberates and decides on, are thoroughly publicized in every office and facility through each division's Environment and Safety Committee. Each office and facility prepares its annual management plan based on these measures and performs the PDCA cycle in its office or facility. The status of the plan's implementation is checked through an environment and safety audit and inspection organized by the Environmental and Safety Department at Headquarters, and the results are then reflected in the next fiscal year's measures.

Organization of Environment and Safety (ES) Committee



PDCA Management Cycle



Glossary

^{*1} RC (responsible care): Under RC, corporations that manufacture and/or handle chemical substances work voluntarily to preserve "health, safety and the environment" throughout product life cycles, from the development of chemicals through their manufacture, distribution, use and final consumption to disposal. These commitments must be clearly reflected in the corporations' management policies. Activities are carried out in the areas of environmental protection, disaster prevention, occupational safety and health, chemicals and product safety and logistics safety, and then results are announced and a social dialogue ensues.

ISO Certification and Certified Sites

The UBE Group is actively implementing measures to acquire ISO 14001, 9000-series, and OHSMS certification, which are the respective international standards for the environmental management system (EMS), quality management system (QMS), and occupational health and safety management system (OHSMS). All the operating sites of UBE have already acquired certification for these three management systems.

In addition, we have received certification for the inspection of high-pressure gas equipment and boilers, so we have been independently checking their safety on an ongoing basis.

High-Pressure Gas Equipment Inspector Certification (for Safety/Post-Completion Inspections)

Type of Certification	Certified Factories	Year of Certification
High-Pressure Gas Equipment Inspector Certification (for Safety/Post-Completion Inspections) (High-Pressure Gas Safety Law)	UBE Industries, Ltd. (Chiba Petrochemical Factory)	2003
	UBE Industries, Ltd. (Sakai Factory)	1999
Certification as boiler and Class-1 pressure vessel inspector (for inspections to be conducted while boilers and pressure vessels are in operation) (Industrial Safety and Health Act)	UBE Industries, Ltd. (Chiba Petrochemical Factory)	1997
	UBE Industries, Ltd. Sakai Factory	1998

Notes:

- High-pressure gas post-completion inspectors are certified by the Minister of Economy, Trade and Industry to conduct inspections on high-pressure gas equipment following the completion of modification work (post-completion inspections), which are conducted under the auspices of prefectural governors.
- High-pressure gas safety inspectors are those who are certified by the Minister of Economy, Trade and Industry to conduct safety inspections on high-pressure gas equipment, which are conducted under the auspices of prefectural governors.
- Inspectors of boilers and Class-1 pressure vessels are certified by the heads of local labor standards supervision offices to conduct performance inspections without suspending the operation of the boilers and vessels.

LETTER FOR COMPANIES-DECLARATION OF SUPPORT FOR THE RESPONSIBLE CARE® GLOBAL CHARTER

I support the Responsible Care® Global Charter which seeks companies to strengthen Responsible Care worldwide working with national chemical associations. By implementing the Charter, my company will continue to improve its environmental, health and safety performance; advance sustainable development; champion and facilitate the appropriate extension of Responsible Care across the business value chain; and address stakeholder expectations in the continuing development of Responsible Care.

As part of these commitments, my company will work with customers and suppliers to manage its chemical products using a risk-based and life-cycle oriented approach supported by sound scientific information. These commitments include making relevant risk information publicly transparent and cooperating with governments and the public to promote the safe use of chemicals worldwide.

By implementing the Responsible Care® Global Charter, my company is playing its part in improving the quality of life of the global community.

Name: Hiroaki Tamura
Title: President and Representative Director
Company: UBE Industries, Ltd.
Date: August 21, 2008

Responsible Care (RC) Global Charter Declaration

*The RC Global Charter calls on every company to strengthen their global responsible care activities in cooperation with their country's Chemical Industry Association, and in August 2008, UBE's CEO signed the Sustainability Declaration.

Certification Acquired and the Year Awarded

Name of Company	EMS	QMS	OSHMS
Chiba Petrochemical Factory, Ube Industries, Ltd.	1999	1995	2006
Sakai Factory, Ube Industries, Ltd.	2000	1996	2005
Ube Chemical Factory, Ube Industries, Ltd.	2000	1994	2006
Ube Cement Factory, Ube Industries, Ltd.	1999	1997	2005
Kanda Cement Factory, Ube Industries, Ltd.	1999	1996	2005
Isa Cement Factory, Ube Industries, Ltd.	1999	1995	2005
Organic Chemistry Research Laboratory, Ube Industries, Ltd.	1999	/	2007
Organic Specialty Materials Research Laboratory, Ube Industries, Ltd.	1999	/	2007
Okinoyama Coal Center, Ube Industries, Ltd.	2000	/	2007
Power generation facilities of Ube Industries, Ltd.	2000	/	2006
Ube Aluminum Wheel Factory, Ube Industries, Ltd.	2000	1998	2005
UMG ABS, Ltd.	2000	1992	2003
Ube Ammonia Industry, Ltd.	2001	2002	2004
Ube Maintenance Co., Ltd.	2000	2005	2006
Ube Electronics, Ltd.	2005	2000	2008
Thai Caprolactam Public Co., Ltd. (Thailand)	2002	2002	2002
Thai Synthetic Rubbers Co., Ltd. (Thailand)	2000	2002	2002
Ube Nylon (Thailand), Ltd. (Thailand)	2004	2003	2006
Meiwa Plastic Industries, Ltd.	2002	1999	2007
Ube Film, Ltd.	2004	2006	*
Ube Chemical Europe, S.A. (Spain)	2009	1999	*
Ube Engineering Plastics, S.A. (Spain)	2009	2005	*
Ems-Ube, Ltd.	2000	1994	2006
UBE-MC Hydrogen Peroxide, Ltd.	2003	2001	2007
Ube-Nitto Kasei Co., Ltd.	2001	1997	2006
Ube Material Industries, Ltd.	2004	2001	2007
Ube Board Co., Ltd.	2006	2003	2008
Hagimori Industries, Ltd.	2004	2002	2005
Ube Shipping & Logistics, Ltd.	2000 (ISM)	2000	2000 (ISM)
Yamaishi Metal Co., Ltd.	*	2000	2006
UBE Scientific Analysis Laboratory, Inc.	1999	2001	2007
T&U Electronics Co., Ltd.	2001	2004	2006
Ube Steel Co., Ltd.	2005	1999	2007
Fukushima, Ltd.	1998	1997	2000
Ube Techno Eng. Co., Ltd.	2008	2002	2007
Ube Machinery Corporation, Ltd.	1999	1996	2005

Notes:

- An asterisk mark (*) indicates sites currently examining the acquisition of certification. A slash mark (/) indicates that the site does not have any systems for which the certification is applicable.
- For Group companies that have several factories, the earliest year in which any of the factories acquired the certification is shown.

Outline of RC Activities

The UBE Group establishes targets and plans each year to promote RC activities in line with its Responsible Care Code.

At the end of each fiscal year, the Group conducts a self-evaluation, the results of which are reflected in RC activities in the subsequent fiscal year. In this manner, the Group makes continuous efforts to improve its RC activities.

The UBE Group is steadily attaining its environmental objectives, which were set as the targets in its mid-term management plan, "Stage Up 2009." Individual targets, plans, measures and activity reports for fiscal 2008 are listed below.

UBE Group Medium-Term RC Targets (Fiscal 2007–2009)

1. Improve management systems and raise RC awareness
2. Improve the quality of occupational safety and health, process safety and disaster prevention, environmental preservation, product safety and distribution safety in a sustainable manner
3. Ensure compliance with laws, regulations, and other rules
4. Disclose performance and conduct dialogues with society
5. Fulfill corporate social responsibilities and increase corporate value by implementing the preceding items 1 to 4

Responsible Care Code	Targets for Fiscal 2008	Planning and Policy in Fiscal 2008	
Management Systems		<ol style="list-style-type: none"> 1. Promote compliance activities 2. Improve high-pressure gas safety promotion systems 3. Develop and revise rules and standards 4. Promote green purchasing 5. Continue/implement environment and safety audits in Japan and overseas 6. Implement quality and product safety audits 	
Environmental Preservation	<ul style="list-style-type: none"> ● Reduce output of substances that negatively impact the environment 	<ol style="list-style-type: none"> 1. Promote global warming prevention measures 2. Further improve environmental performance 3. Reduce environmental complaints 	
Process Safety and Disaster Prevention	<ul style="list-style-type: none"> ● Eliminate facility accidents 	<ol style="list-style-type: none"> 1. Ensure the operation of a PDCA cycle in maintenance management 2. Improve group-wide earthquake preparedness and response 	
Occupational Safety and Health	<ul style="list-style-type: none"> ● Control non-occupational injuries and illnesses 	Health management: <ol style="list-style-type: none"> 1. Develop comfortable working environments 2. Upgrade employee wellness programs 	
	<ul style="list-style-type: none"> ● Reduce industrial accidents 	Occupational safety: <ol style="list-style-type: none"> 1. Improve safety activities based on OSHMS*² 2. Carry out collective safety management activities with partner companies 3. Enhance communication in the workplace 4. Promote safety management measures for elderly employees 	
Distribution Safety	<ul style="list-style-type: none"> ● Continued revision of "container yellow cards" to comply with GHS*¹ label requirements 	<ol style="list-style-type: none"> 1. Measures to prevent distribution-related complaints and improve distribution quality 	
Chemicals and Product Safety	<ul style="list-style-type: none"> ● Improve chemical safety management and preclude quality-related complaints 	<ol style="list-style-type: none"> 1. Implement preparatory measures to comply with the EU's REACH*³ regulation 2. Revise GHS MSDS*⁴ and labels systematically 3. Continue measures to deal with toxic substances contained in products (RoHS*⁵ Directives, green procurement) 	
Dialogue with Communities	<ul style="list-style-type: none"> ● Promote dialogue with communities ● Information disclosure and improvement of transparency 	<ol style="list-style-type: none"> 1. Continue implementation of RC dialogue 	
		<ol style="list-style-type: none"> 2. Fulfill CSR Report (increase reliability) 	
		<ol style="list-style-type: none"> 3. Conduct dialogues with employees to ensure their deeper understanding of CSR reports 	

Glossary

- *1 GHS: Globally Harmonized System of Classification and Labeling of Chemicals that are used in MSDS and container labels
- *2 OSHMS: Occupational Safety & Health Management System
- *3 REACH regulation: Regulation on chemical substances enforced in the EU in June 2007 (REACH stands for Registration, Evaluation, Authorisation and Restriction of Chemicals)
- *4 MSDS: Material Safety Data Sheet (documentation containing the product name, physiochemical properties, usages, and hazard and toxicity information)
- *5 EU RoHS Directive: Restricts the use of certain hazardous substances in electrical and electronic equipment
- *6 BCP: Business continuity plan, which is made to minimize the suspension of business in the event of a disaster and to recover its functions as early as possible to ensure business continuity
- *7 KPI: Key Performance Indicator
- *8 STOP (Safety Training Observation Program): DuPont's safety administration activity program

 Achieved  Largely achieved  Yet to be achieved

Fiscal 2008 Activity Report		Evaluation	Pages Included
1. Promoted compliance through environment and safety audits			44
2. Implemented audits at Chiba Petrochemical Factory and Sakai Factory			57
3. Revised/formulated relevant internal rules to address regulatory changes, as necessary			
4. Increased the UBE Group's green purchasing rate to 63%			30
5. Implemented environment and safety audits at 10 facilities/departments, four Group companies in Japan and two overseas departments			
6. Implemented quality/product safety audits at five facilities/departments and seven Group companies in Japan			
1-1. UBE Group CO ₂ emissions volume: Reduced by 16% (compared with the 1990 level); attained mid-term target of 12% in advance			49
1-2. Created a data administration system for the amount of energy used and greenhouse gas (GHG) emissions produced by the UBE Group			50
1-3. Participated in the trial implementation of an integrated market for emissions trading in Japan			49
2-1. Emissions of 12 voluntarily selected chemical substances: reduced by 64% (compared with the 2000 level); attained mid-term target of 60% in advance			51
2-2. Final waste disposal by external sectors: reduced by 81% (compared with the 2000 level); attained mid-term target of 60% in advance			54
3. Responded to odor- and noise-related reports made by governmental agencies, corporate and civic neighbors and employees			55
1. Reviewed the state of full facility inspections during environment and safety audits. One accident involving the distribution of heavy oil and three fire-related accidents occurred.			57
2-1. Implemented BCP* ⁶ earthquake response drills			
2-2. Organized an earthquake response manual for Group companies			24
2-3. Introduced earthquake warning system (Sakai Factory)			
1. Activities performed with regard to the Meet and Greet Campaign, segregation of smoking areas and encouragement of no smoking, use of health checkup results, mental health management programs, and programs to improve dietary behavior			33
2. Installed automated external defibrillators (AEDs) and conducted training sessions on their use			33
1. New certification acquired by one Group company; enhanced risk assessment			56
2. Implemented safety audit of affiliate companies			
3. Held KP1* ⁷ seminars and safety dialogue meetings with external lecturers (development of STOP* ⁸ activities)			56
4. Developed guidelines on measures for elderly workers and implemented thorough measures to prevent forklift accidents and industrial accidents			
1. Implemented measures to prevent distribution-related complaints and improve distribution quality are underway			29
1. Completed pre-registration in Japan, Europe and Thailand; registration process is underway			28
2. Updated and created new MSDSs; promoted the full introduction of container yellow cards (labeling system)			29
3. Properly implementing responses to RoHS Directives and green procurement			29
1-1. Held the 6th Ube/Onoda Community RC Dialogue Meeting			36
1-2. Participated in the RC Regional Dialogue conferences in the Chiba District			36
1-3. Awarded the 5th PRTR Grand Prize 2008			36
2. Received third-party verification of CSR Report 2008			65
3-1. Organized internal meetings to explain CSR Report (Chiba, Tokyo, Sakai and Ube)			
3-2. Distributed the CSR Report 2008 to all employees in every Group company			

Environmental Accounting

Since fiscal 1999, the UBE Group has introduced environmental accounting as a tool for quantitatively understanding and evaluating the costs and effects of environmental preservation in Group business activities and promoting more efficient sustained environmental preservation.

The results for fiscal 2008 are as shown in the following tables.

● Environmental Preservation Costs

Capital investment increased by ¥1,170 million compared with the fiscal 2007 level, to ¥3,430 million. The main reason behind the increase was capital investment in industrial waste recycling and other areas.

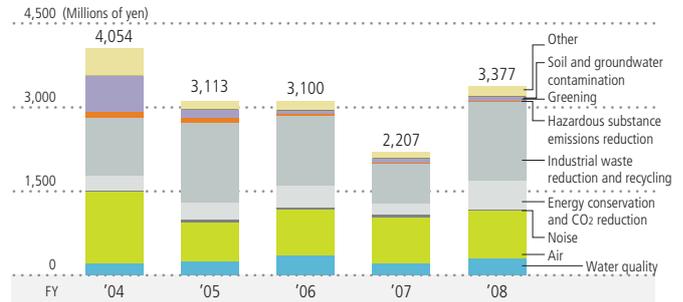
Costs increased by ¥820 million over fiscal 2007, to ¥10,740 million, chiefly due to an increase in costs associated with the operation of industrial waste recycling equipment for which investments were made in fiscal 2007 and 2008, as well as an increase in equipment repair costs.

● Economic Effect

The income effect amounted to ¥630 million. This figure includes proceeds from the sale of marketable waste.

The saving effect was ¥1,400 million less than in fiscal 2007, totaling ¥6,830 million. Contributing factors included a decreased intake in the amount of raw materials in fuel recycling.

UBE Group's Environmental Measures Costs



Environmental Preservation Cost

(Unit: ¥100 million)

Category	Main Activity	Capital Investment			Cost		
		2007	2008	Difference	2007	2008	Difference
Cost by business area	Pollution prevention	10.1	11.0	0.9	52.4	53.7	1.3
	Global environment preservation	3.3	6.3	3.0	3.3	3.1	(0.2)
	Resource recycling	8.4	15.3	6.9	24.0	28.9	4.9
Upstream/downstream costs	Costs of container/packaging recycling, green purchasing	0.0	0.4	0.4	5.7	6.7	1.0
Costs of management activities	Costs of acquiring, running and maintaining environmental management systems	0.0	0.2	0.2	4.4	4.5	0.1
Research and development costs	R&D costs of environment-friendly products and technologies	0.6	0.8	0.2	4.5	5.8	1.3
Costs of social activities	Costs of greening and beautifying offices/facilities and their surroundings	0.2	0.3	0.1	2.2	2.2	0.0
Costs of cleaning up environment damage	Payment of environment-related levy	0.0	0.0	0.0	2.7	2.5	(0.2)
Total		22.6	34.3	11.7	99.2	107.4	8.2

Economic Effect

(Unit: ¥100 million)

Category	Income effect	2007	2008	Difference
Income Effect	Revenues from acceptance of industrial waste*	7.1	6.3	(0.8)
	Proceeds from sales of marketable waste products	(101.8)	(102.5)	(0.7)
Saving Effect	Savings achieved through resource recycling and energy conservation	82.3	68.3	(14.0)

*Sales by resource recycling businesses (revenues from the acceptance of industrial waste as fuel and raw materials for cement production), which were integrated in the business line in fiscal 2005, are excluded. Figures in parentheses represent the total if these are included.

UBE Group Environmental Accounting Method

- Companies covered: UBE Group companies (Except for UBE-MC Hydrogen Peroxide, Ltd., only consolidated subsidiaries from "Companies covered" on page 9).
- Calculations are based on Environmental Accounting Guidelines (Ministry of the Environment FY 2005 version).
- The economic effect is the effect obtained in fiscal 2008 as a result of environmental protection activities. This is limited to what can be calculated rationally and excludes hypothetical calculations such as the avoidance of the cost of cleaning up environmental damage.
- Internal transactions within the UBE Group are set off and eliminated.

Environmental Performance

The UBE Group recognizes that environmentally oriented business practices are vital for its ongoing growth. We will continue to promote measures to prevent global warming, reduce emissions of toxic chemical substances and industrial waste, and use waste and resources effectively in order to continuously foster business activities that contribute to the formation of a recycling-based society.

See "Companies covered" on page 9 for details on the scope of UBE Group performance data.

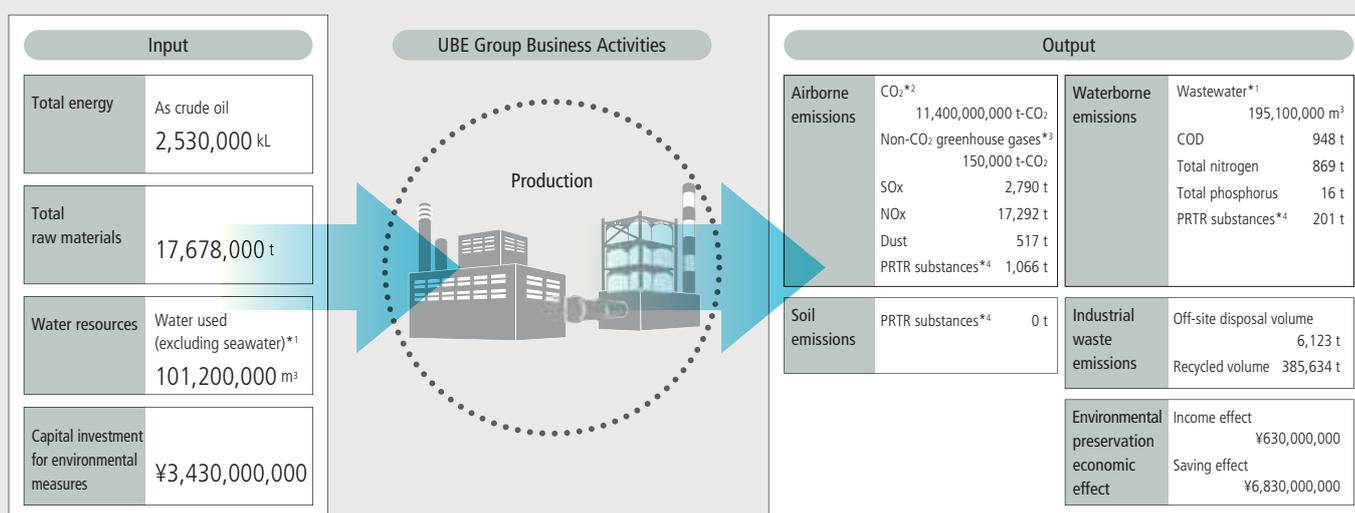
*1 The difference between the "water used" and "wastewater" is because wastewater includes seawater.

*2 Indicates total CO₂ emissions (excluding raw combustible material waste)

*3 CH₄, N₂O, HFC, PFC, and SF₆

*4 PRTR figures are based on 480 substances designated by the Japan Chemical Industry Association (JCIA) (See page 52 for reference).

Overview of UBE Group Environmental Impact in Fiscal 2008



Fiscal 2007 and 2008 Environmental Data by Factory

(Unit: tons/year)

	SOx emissions		NOx emissions		Dust emissions		COD emissions		Total nitrogen emissions		Total phosphorus emissions		Industrial waste off-site disposal volume	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Ube Chemical Factory	1,429	1,650	3,228	3,646	131	149	527	452	539	468	4.4	7.0	146	200
Chiba Petrochemical Factory	0.2	24	3.3	25.4	2.3	1.7	11	5.6	6.5	2.8	0.3	0.1	197	279
Sakai Factory	0	0	194	165	37	27	266	224	410	335	2.6	3.0	133	120
Ube Film, Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	0	1
Meiwa Plastic Industries, Ltd.	—	—	—	—	—	—	0.1	0	0	0	0	0	57	38
Ube Ammonia Industry, Ltd.	513	537	787	563	8.0	28.4	239	243	71.5	56.1	4.6	5.0	23	38
Ems-Ube, Ltd.	0	0	6.3	4.8	0	0	10.8	6.2	1.8	1.6	0	0	0	0
UBE-MC Hydrogen Peroxide, Ltd.	—	—	—	—	—	—	0.2	0.2	0	0	0	0	0	1
Ube-Nitto Kasei Co., Ltd.	3.1	1.5	3.4	1.6	0.3	0.2	2.2	1.1	0	0	0	0	30	32
Ube Cement Factory	60	48	1,965	1,628	57	57	10.5	11.6	—	—	—	—	0	0
Isa Cement Factory	348	339	8,047	7,548	105	110	0	0	—	—	—	—	4	0
Kanda Cement Factory	4	13	2,310	2,318	55	70	2.1	1.2	0.8	0.9	—	—	1	0
Ube Material Industries, Ltd.	105	160	1,346	1,330	56	59	209	172	158	131	7.3	6.3	1,357	3,607
Ube Board Co., Ltd.	0.6	0.6	7.9	7.7	3	3	0.1	0.1	0.1	0.1	0	0	7,586	1,198
Ube Machinery Corporation, Ltd.	0.1	0	—	—	—	—	1.2	1.2	1.8	2	0.2	0.3	137	99
Ube Aluminum Wheel Factory	0.5	0.4	13.2	11.4	1.1	1.1	0.2	0.3	0.3	0.3	0.04	0.04	157	45
Ube Steel Co., Ltd.	14	15.6	51	44	13.6	10.6	0.9	0.6	0	0	0	0	117	213
Okinoyama Coal Center	—	—	—	—	—	—	0	0	—	—	—	—	78	31
Spain	210	164	440	547	6	53	278	252	503	613	2.31	1.82	5,620	4,072
Thailand	117	73	202	46	56	14	65	40	43	30	0	1.6	982	900

The UBE Group is contributing to the creation of a low-carbon society by reducing CO₂ through its products and technologies, as well as through its efforts to conserve energy and the effective use of waste materials.

In fiscal 2008, the UBE Group reduced its CO₂ emissions by 12% from the fiscal 1990 level and will make further efforts to achieve even greater reductions in the years ahead.

Medium-Term Management Plan*1 (UBE Group Comprehensive Targets)

- 1) CO₂ emissions reduction target to be achieved by the introduction of energy-saving measures, fuel conversion and waste utilization policies in fiscal 2010 set at 12% (compared with the fiscal 1990 level)
- 2) Reduction of emissions of greenhouse gases other than CO₂ of 100,000 tons (CO₂ equivalent) annually by fiscal 2010
- 3) The above two targets are to be achieved in fiscal 2009, which is earlier than scheduled.

Targets Stipulated in Voluntary Action Plans of Industrial Fields

- Target for Japan Chemical Industry Association
20% reduction in Unit Energy Consumption (1990 basis, 2008-2012 Target)
- Target for Japan Cement Association
3.8% reduction in Unit Energy Consumption (1990 basis, 2008-2012 Target)
- Target for Lime Manufacture Association
8% reduction in the volume of energy used and energy-based CO₂ emissions (1990 basis, 2008-2012 Target)
- Target for Japan Industrial Machine Association
12.2% reduction in CO₂ emissions during manufacturing processes (1997 basis, 2008-2012 Target)

The UBE Group continues to actively work as a whole to conserve energy and reduce CO₂ emissions in order to achieve voluntary action plan targets of each industrial field.

Initiatives to Reduce Greenhouse Gases

● Status of achieving comprehensive targets set by the UBE Group

The UBE Group continues to undertake measures to conserve energy and reduce CO₂ emissions under the leadership of the Group Global Environment Preservation Promotion Committee. UBE's medium-term management plan's annual reduction target of 100,000 tons (CO₂ equivalent) of non-CO₂ greenhouse gas emissions by fiscal 2010 was successfully achieved in fiscal 2007 thanks to reductions made to N₂O emissions by the Ube Chemical Factory's nitrate acid plant. UBE also attained the fiscal 2010 target of a 12% reduction in CO₂ emissions (1990 level) ahead of schedule in fiscal 2008.

● CO₂ Emissions and CO₂ Emission Intensity Index

The CO₂ emissions in fiscal 2008 fell around 6% year on year, which is an approximate 16% reduction compared with the 1990 level. However, the CO₂ emission intensity index rose about 20% compared with the fiscal 1990 level, an increase of approximately 4% to the previous year.

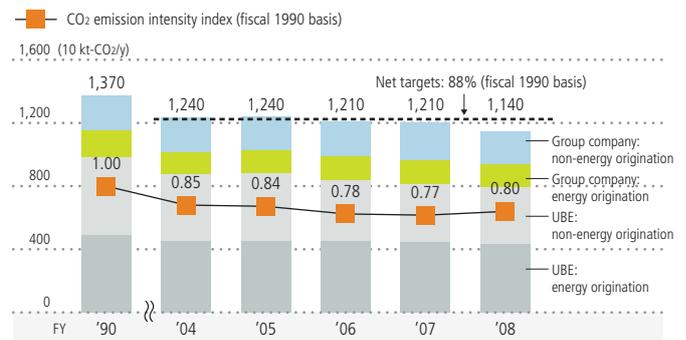
● Energy Consumption and Energy Consumption Intensity Index

The energy consumption in fiscal 2008 decreased about 5% year on year, but the energy consumption intensity index rose approximately 4%.

● Participation in Trial Domestic Emissions Trading Scheme

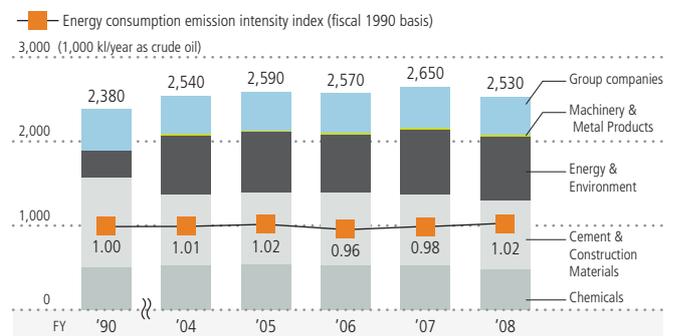
UBE and two Group companies such as Ube Material Industries, Ltd. and Ube Steel Co., Ltd., announced their participation in the trial implementation of an integrated emissions trading scheme in Japan, with a search for participants having commenced in October 2008. These companies are actively undertaking initiatives to conserve energy and reduce CO₂ emissions with the aim of attaining voluntary action plan targets for each industry in which they are involved.

CO₂ Emissions and CO₂ Emission Intensity Index



Values related to the volume of energy consumption and CO₂ emissions were revised retroactively to fiscal 1990 levels in accordance with the Law Regarding the Rationalization of Energy Use and the Law Concerning the Promotion of the Measures to Cope with Global Warming. In fiscal 2008, UBE EUP Business Unit's Ube Factory and Organic Chemistry Research Laboratory, Central Hospital, UBE-MC Hydrogen Peroxide, Ltd. and Fukushima, Ltd. were designated energy management factories under the Law Regarding the Rationalization of Energy Use.

Energy Consumption and Energy Consumption Intensity Index



Glossary

*1 Medium-term management plan: Formulated in April 2007, this plan is set for the three-year period from fiscal 2007 to fiscal 2009.

*2 GHG (greenhouse gas): CO₂, CH₄, N₂O, HFC, PFC and SF₆ are six greenhouse gasses specified in the Kyoto Protocol.

*3 Wood biomass: An energy source derived from organic materials that include thinned wood, lumber, branch and leaf clippings and construction waste materials. It is a renewable energy that is categorized as a new energy.

*4 Modal shift: A shift from truck transport to rail and domestic shipping-based transport that uses less energy per amount transported.

● Introduction of GHG Control System

As a result of revisions to the Act on the Rational Use of Energy and the Act on Promotion Measures to Cope with Global Warming, performance reporting for energy consumption, CO₂ emissions and other areas for fiscal 2009 shall no longer be reported to the government by each factory, but by corporate headquarters instead. In preparation for this change, UBE has constructed its own GHG control system for the purpose of simplifying the aggregation of data from each factory and centralizing the data, including that related to energy consumption and CO₂ emissions, which are the basis for future measures for energy conservation and global warming prevention.

● Establishment of Dedicated Organization to Prevent Global Warming

To further strengthen the UBE Group's efforts to prevent global warming, the Global Warming Countermeasures Promotion Office was established in July 2009 as an organization for the medium- to long-term study and promotion of energy conservation and CO₂ reduction measures.

● Efforts in the Factory

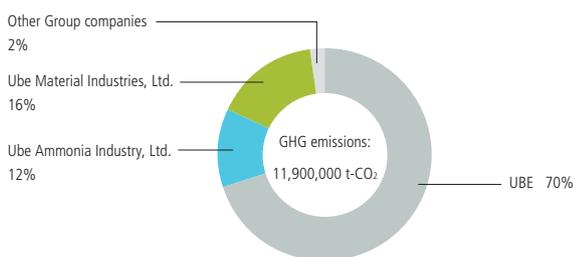
In 2008, we used wood biomass*3 as a boiler fuel at the Isa Cement factory and the 216 MW thermal power facility, and this contributed to the reduction of CO₂ emissions by about 130,000 tons annually. From fiscal 2009, we anticipate a nearly 200,000 ton reduction in CO₂ emissions by lowering the amount of fossil fuel and electric power consumed through process improvements, greater machinery and equipment efficiency and the use of alternative fuels derived from waste plastic and other types of waste. Moreover, in February 2009, the Sakai Factory received the Osaka Stop Global Warming

Award from the Osaka government in recognition of its significant reduction of greenhouse gases in fiscal 2007, and it also received the Kinki Bureau of Economy, Trade and Industry Award as an Excellent Energy Conservation Factory and was commended for its longstanding energy conservation activities.

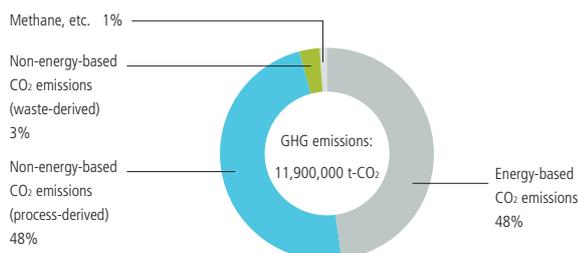
● Efforts in Logistics

In the Logistics Re-engineering Project, which seeks to improve the efficiency of sales and logistics, the aluminum wheel division was able to improve the energy efficiency of logistics by almost 50% (crude oil: approx. 40kl/annual reduction) by switching the freight that it transports from Yamaguchi Prefecture to Tochigi Prefecture from the current 10-ton trucks to ferry transport. This improvement received Fiscal 2008 Kitakyushu City Modal Shift*4 Promotion Auxiliary System Business certification by Kitakyushu City. UBE plans to expand the scope of the modal shift in the aluminum wheel division. In addition, UBE will pursue cooperative transportation amongst the Group and the optimal placement of shipping bases while promoting both the reduction of environmental impact and cost.

GHG emissions for UBE Group/by company (fiscal 2008 results)



GHG emissions for UBE Group/by type of gas (fiscal 2008 results)



Fiscal 2008 GHG emissions: Virtually all of the UBE Group's GHG emissions, when looked at by company, come from UBE, Ube Ammonia Industry, Ltd. and Ube Material Industries, Ltd. By type of gas, energy- and non-energy-based CO₂ emissions (process-derived) comprised more than 90% of all CO₂ emissions. Both energy- and non-energy-based CO₂ emissions were of nearly equal proportions.



Internal website for the Global Warming Countermeasures Promotion Office

Guest Message

Seeking to Achieve Voluntary Environmental Action Plan Goals

Company awareness of and actions taken for the environment are an important element in the valuation of a firm. The Japan Chemical Industry Association (JCIA) has adopted climate change, chemical control and Responsible Care (RC) as key activity items and is promoting a wide range of activities. As chairman of the Technical Committee of the JCIA, Mr. Chiba, the Vice President of UBE, promotes discussion primarily about: 1) the review of the Voluntary Environmental Action Plan; 2) response to post-Kyoto Protocol era; 3) Japan's medium- to long-term goals; and 4) climate change countermeasures for the chemical industry. Also, as a member of a key national advisory council that decides Japan's future direction, he plays a central role in formulating climate change countermeasures for the chemical industry. We ask for the continued cooperation of everyone in the UBE Group as we work to achieve the JCIA/Voluntary Environmental Action Plan Goals that are now being promoted.



Genzo Yoshikiyo
General Manager, Technical Division,
Japan Chemical Industry Association

Implementing Appropriate Chemical Management and Voluntary Emission Reduction of Toxic Chemical Substances

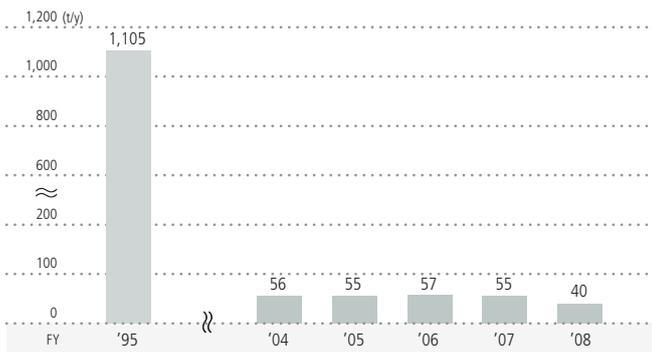
The UBE Group continues to undertake measures to reduce emissions of harmful air pollutants, PRTR*¹ materials and voluntarily selected toxic substances that include VOCs.*²

Initiatives to Reduce the Emission of Harmful Air Pollutants

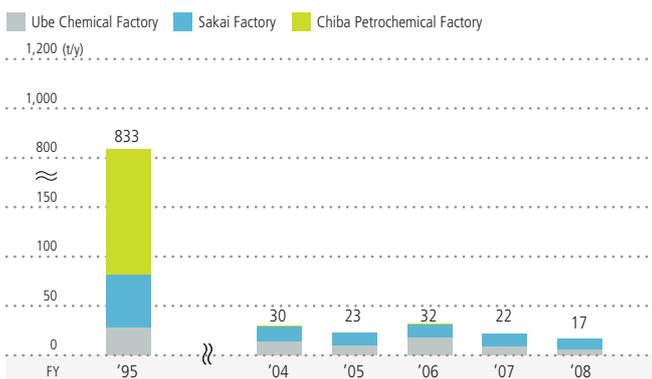
The chemical industry designated 12 harmful air pollutants among a number of harmful air pollutants as subject to voluntary management and has implemented measures to reduce emissions from these pollutants.

The UBE Group uses six of the 12 substances, namely: benzene, butadiene, acrylonitrile, 1,2-dichloroethane, chloroform and dichloromethane. Regarding benzene and butadiene, which are suspected to be particularly harmful, the Group promoted a drastic reduction of their emissions and achieved reductions of 98% and 91%, respectively, compared with fiscal 1995. In addition, the Group attained a 96% reduction in total emissions.

Total Emissions Volume of Six Harmful Air Pollutants



Benzene Emissions Volume



1,3-Butadiene Emissions Volume (Chiba Petrochemical Factory)

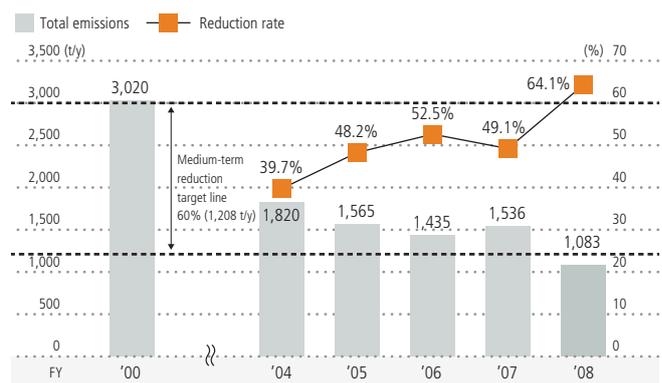


Voluntary Medium-Term Plan for Reducing Chemical Substance Emissions

The UBE Group has established a plan to reduce total emissions of 12 voluntarily selected chemical substances—of which a large volume is emitted—by 60% in fiscal 2009, compared with the 2000 level. Targeted chemical substances are: ammonia, caprolactam, xylene, vinyl acetate, cyclohexane, dichloromethane, toluene, 1,3-butadiene, butyl alcohol, n-hexane, benzene, methyl alcohol. Owing to efforts made in this area and a decrease in production volume in fiscal 2008, the Group reduced emissions of these substances by 64%.

In fiscal 2008, a cyclohexane recovery facility was installed at the Ube Chemical Factory's cyclohexanone production facility.

Emissions and Reduction Rate of 12 Voluntarily Selected Toxic Substances



Cyclohexane recovery facility

Pollutant Release and Transfer Register (PRTR)

Among the 354 substances designated under the PRTR law, the UBE Group handles 50 of them, and UBE handles 38. Furthermore, in fiscal 2005 the Group started surveying VOCs related to the 480 substances designated by the Japan Chemical Industries Association (JCIA). Of these, 85 substances are handled by the Group as a whole and 74 by UBE itself.

In fiscal 2007, our total emissions of the substances specified by the JCIA, including VOCs, were reduced by 28% from the previous year due to a fall in production volume. For the emissions of each substance, the Group endeavors to make reductions by installing and operating exhaust gas treatment systems in factories and improving production processes (closed handling areas and alternative solvent usage).

● PCB (Polychlorinated Biphenyl)

Regardless of whether they are currently in use or no longer in use, the UBE Group controls PCB-containing transformers, condensers and fluorescent lighting stabilizers in its factories in accordance with the Law Concerning Special Measures against PCB Waste. The Group plans to store and treat PCBs in an appropriate and safe manner up until July 2018. We have engaged regional facilities of Japan Environmental Safety Corporation (JESCO) to provide such storage. Moreover, JESCO is already treating some of these substances.

● Countermeasures for Soil and Ground Water Pollution

The UBE Group conducts surveys and initiates measures in accordance with the Soil Contamination Countermeasures Law and ordinances established by local governments.

UBE Group Data on PRTR Substances

(Unit: t)

	Total handling volume (Volume used/produced)	Emissions volume				Increase/decrease rate compared with fiscal 2007 (total emissions)	Transfer volume
		Atmosphere	Public water	Soil	Total		
PRTR Law basis	632,532	363.7	143.0	0.0	506.7	(19)%	1,794.2
JCIA basis	1,913,465	1,066.2	200.6	0.0	1,266.8	(28)%	3,417.3

Transfer volume: Volume externally treated as waste

Individual Emission Volumes (Limited to the Top 12 Substances Subject to the PRTR Law and Dioxins)

(Unit: t)

Ordinance designation number	Chemical substance	CAS No.	Handling volume	Emission volume				Increase/decrease rate compared with fiscal 2007 (emissions)	Transfer volume
				Atmosphere	Public water	Soil	Total		
227	Toluene	108-88-3	1,063	153.3	19.9	0.0	173.2	(8)%	514.6
61	ϵ -caprolactam	105-60-2	205,877	0.0	90.9	0.0	90.9	(22)%	444.9
63	Xylene	*	167	54.6	0.0	0.0	54.6	(13)%	18.4
40	Ethylbenzene	100-41-4	45	35.0	0.0	0.0	35.0	(21)%	10.1
102	Vinyl acetate	108-05-4	3,611	23.7	0.0	0.0	23.7	(19)%	0.0
268	1,3-butadiene	106-99-0	86,233	18.1	0.0	0.0	18.1	(36)%	0.0
299	Benzene	71-43-2	83,708	16.9	0.6	0.0	17.5	(23)%	0.0
85	Chlorodifluoromethane (HCFC-22)	75-46-6	14	13.5	0.0	0.0	13.5	76%	0.0
244	1, 3, 5 trimethylbenzene	108-67-8	13	9.4	0.0	0.0	9.4	(61)%	0.0
304	Boron and boron compound	*	51	0.8	4.4	0.0	5.2	10%	0.9
177	Styrene	100-42-5	187	4.3	0.0	0.0	4.3	(16)%	0.3
145	Dichloromethane (methylene chloride)	75-09-2	210	4.0	0.0	0.0	4.0	9%	161.1
179	Dioxins	*	235	221	13	0.0	234	(22)%	0.7

Notes:

1. CAS No.: Chemical Abstract Service registry number.
2. *: Contains various compounds
3. Unit for dioxins: mg-TEQ/year

Glossary

*1 PRTR (Pollutant Release and Transfer Register): Involves conducting voluntary surveys to assess the volume of chemical substances that are emitted into the environment (atmosphere, water, soil) and transferred outside in the form of waste from company facilities during business activities and reporting survey findings to national and other governments while undertaking full public disclosure. The aim of PRTR is to take steps to control and reduce environmental burdens through the appropriate use and management of chemical substances.

*2 VOCs (Volatile Organic Compounds): Collective term referring to organic chemical compounds that vaporize easily and enter the atmosphere. VOCs are arguably one of the sources of suspended particle matter and photochemical oxidants.

Toward a Recycling-Based Society: Promoting Waste Recycling

The UBE Group is promoting waste recycling and thus using a wide variety of waste generated from within and outside of the Group as fuel and raw materials for cement production.

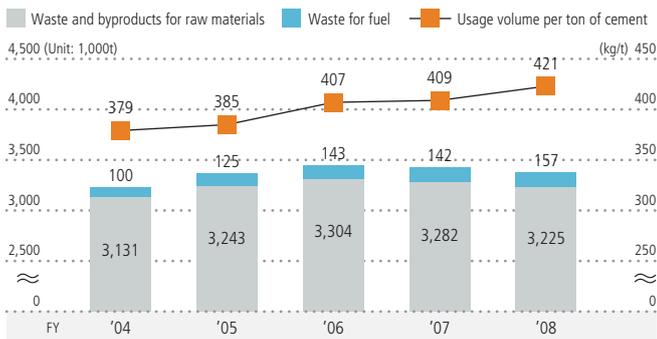
Waste Recycling at Cement Factories

Waste can be used as a raw material (material cycle) and fuel (thermal cycle) in the cement-making process. For this reason, a wide variety of waste is treated at cement factories. The high calcining temperature of the cement kilns (1,450°C) burns and degrades substances that cannot be treated by ordinary incinerators. The kilns also offer a large waste-processing capacity. Ash produced by incineration can also be used as an alternative to clay, a component of cement, eliminating the need for final disposal sites for incineration ash.

UBE's three cement factories actively accept and use various waste materials, such as slag, coal ash, refuse incineration ash, sludge, waste fluids and waste plastics, from UBE and companies both inside and outside the Group (see Flow diagram below for a breakdown). In fiscal 2008, the Group's cement factories made effective use of around 3.38 million tons of waste and byproducts. Of this, about 3.3 million tons was sourced from outside of the UBE Group. This is one way the Group is contributing to the formation of a recycling-based society.

In 2009, in addition to expanding capacity to the facilities for treating refuse ash generated by incinerating residual waste, the Kanda Factory also plans to add capacity to its waste plastic treatment facility. UBE will strengthen its systems for dealing with a variety of waste and expand its recycling business.

Waste and Byproduct Consumption Volume



Guest Message

Recycling Waste within the Cement-Making Process

Our Shinko Kobe Power Station is a coal-fired power plant with a 1,400MW total power generation and is Japan's largest IPP providing electricity to the Kansai Electric Power Co., Inc.

UBE takes coal ash as a raw material for cement and is our most important partner.



While its coal ash storage silo capacity is limited and situated in an urban area, since it began operation, it has accommodated our needs in a steady and timely manner.

I would like to see us further strengthen the relationship that we have developed thus far.

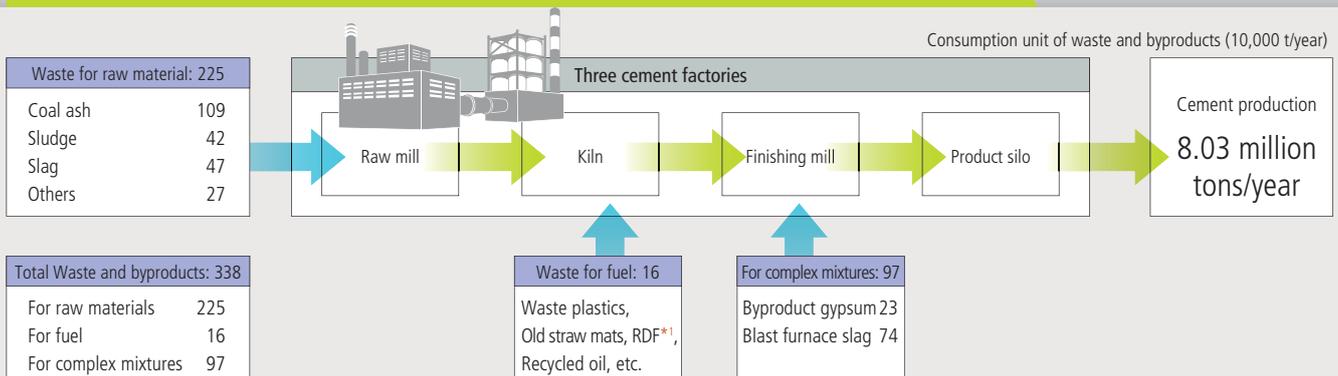
Hiroo Nishimura

Manager, Technology Control Div.
Shinko Kobe Power Inc.

Cement Factory History of Waste Treatment Facility Installations

	For Fuel	For Raw Material
1998	Kanda Factory: Waste oil treatment facility	Isa Factory: Chlorine bypass system
1999		Ube/Kanda Factory: Waste water receiving treatment facility
2000	Ube Factory: Waste plastic treatment facility (1st period)	
2001		Ube Factory: Sewage sludge treatment facility
2002	Kanda Factory: Waste plastic treatment facility (1st period)	Isa Factory: Sewage sludge waste treatment facility (1st period) Ube Factory: Chlorine bypass system Ube/Isa/Kanda Factory: Meat and bone meal treatment facility
2003	Isa Factory: Plastic waste treatment facility (1st period)	
2004	Isa Factory: Wood chip combustion facility for in-house power generation Isa Factory: Waste plastic treatment facility (2nd period)	
2005		Kanda Factory: High-chlorine bypass system
2006	Kanda Factory: Waste plastic treatment facility (2nd period)	
2007	Ube Factory: Waste plastic treatment facility (2nd period)	Isa Factory: Sewage sludge waste treatment facility (2nd period)
2008	Isa Factory: Waste plastic treatment facility (3rd period)	Kanda Factory: Waste for raw material loading facility
2009	Kanda Factory: Waste plastic treatment facility (3rd period)	Kanda Factory: Fly ash treatment facility
2010	Kanda Factory: Facility to product fuel from waste plastic	

Flow of Waste and Byproduct Utilization in Cement Factories in Fiscal 2008



Reducing Final Waste Disposal through Appropriate Industrial Waste Management

The entire UBE Group is taking steps to reduce industrial waste

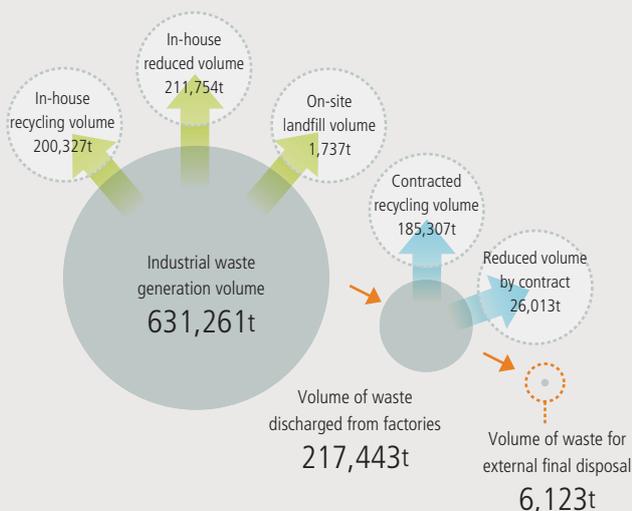
Initiatives for Environment and Safety

Reduction of Industrial Waste

Medium-Term Plan for Voluntary Waste Reduction

Targets call for a Group-wide reduction of external final disposal by 60% within fiscal 2009, as compared with the fiscal 2000 level.

Overall Flow of Industrial Waste in Fiscal 2008



Status of Industrial Waste Reduction Activities

Industrial Waste Generation Volume

Industrial waste is generated by many sources. Chemical-related factories and facilities generate sludge, waste oil and waste plastic, on-site power generating and ammonia plants generate coal ash and machinery factories generate waste oil and inorganic waste, etc.

Industrial Waste Recycling Volume

In the district of Ube, most of the Group's internal industrial waste is recycled in-house.

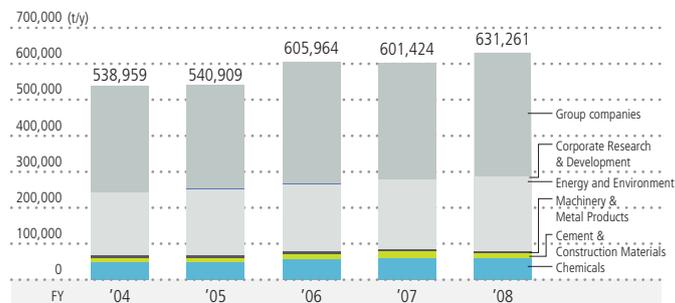
Volume of Industrial Waste Discharged from Factories

When contracting waste treatment or disposal to outside companies, the UBE Group utilizes industrial waste management forms (waste manifest system) in compliance with the waste treatment and clean-up laws and strictly monitors the entire process until final disposal.

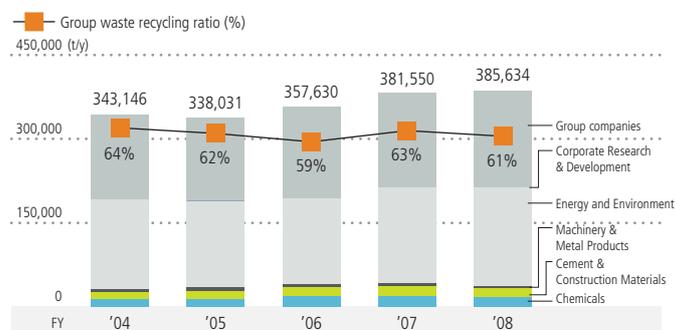
Volume of Industrial Waste for External Final Disposal

We achieved an 81% reduction, reaching our medium-term fiscal 2008 target of a 60% reduction ahead of schedule.

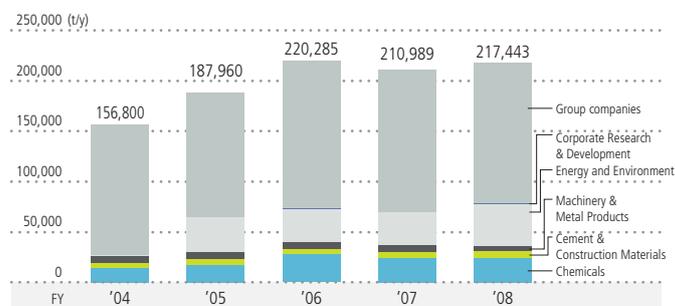
Industrial Waste Generation Volume



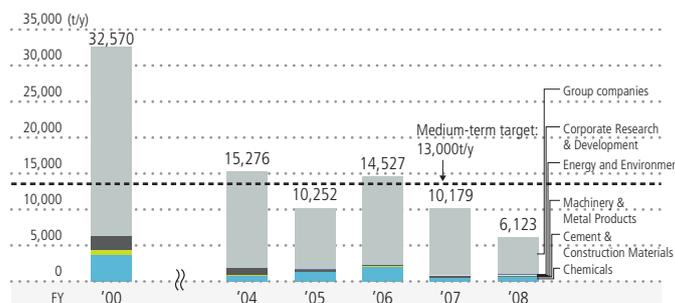
Industrial Waste Recycling Volume and Ratio



Volume of Industrial Waste Discharged from Factories



Volume of Industrial Waste for External Final Disposal



Glossary

*1 Refuse Derived Fuel (RDF): Solid fuel made by compressing waste plastic, scrap wood and general garbage.

Measures to Prevent Air and Water Pollution

Making Ongoing Efforts to Prevent Air and Water Pollution

The UBE Group has long been engaged in pollution prevention. For more than 60 years, we have been working to keep air and water pollution at bay by applying the "Ube Method," which involves joint efforts with manufacturers, governmental authorities, academia and local communities.

Measures to Prevent Air and Water Pollution

● Measures to Prevent Air Pollution

The UBE Group monitors contaminants emitted into the atmosphere at the source, and pollution control is undertaken according to levels established in agreement with local governments and our own voluntary air pollution prevention management standards. All of this is reflected in our factory operations.

● Measures to Prevent Water Pollution

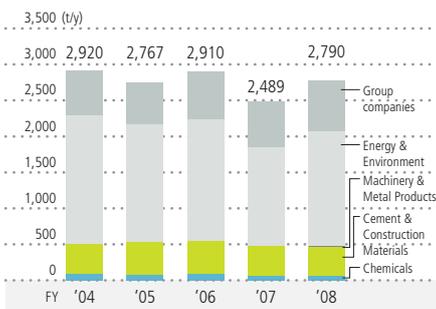
The UBE Group has installed systems to monitor discharges of pollutants in water environments. In addition, UBE Group chemical plants, which can

have a major impact on public water quality, discharge wastewater only after it has been purified owing to the installation of wastewater treatment facilities.

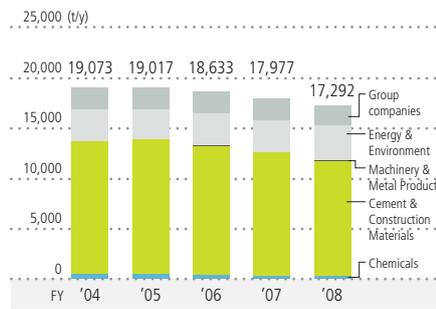
● Measures to Prevent Odors

The UBE Group is striving to reduce odors in the Ube district, in cooperation with local governments, by utilizing public facilities that continuously monitor environmental measurement data throughout Ube City and by independently establishing an odor monitoring system. The Group has also installed deodorizing and other equipment that has led to a decline in odor complaints. There have been no complaints reported in other districts.

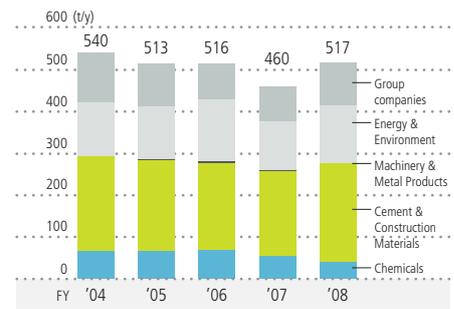
SOx Emissions*1



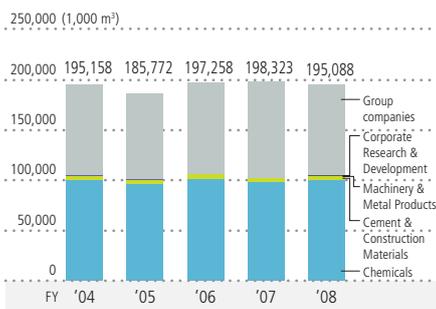
NOx Emissions*2



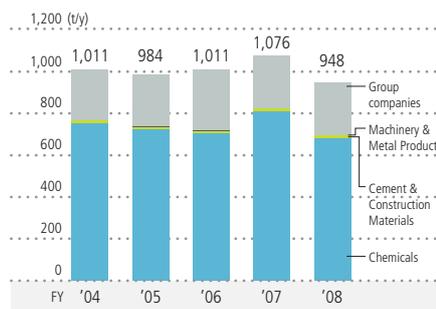
Dust Emissions



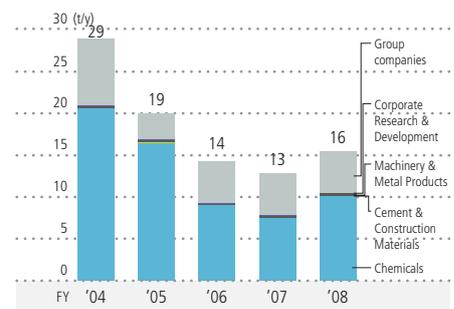
Wastewater Emissions



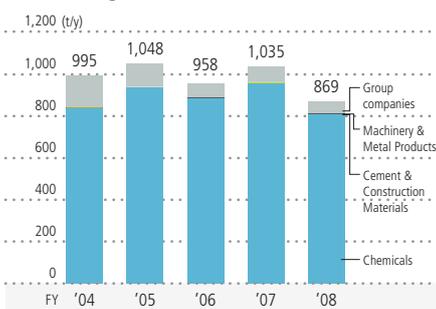
COD Emissions*3



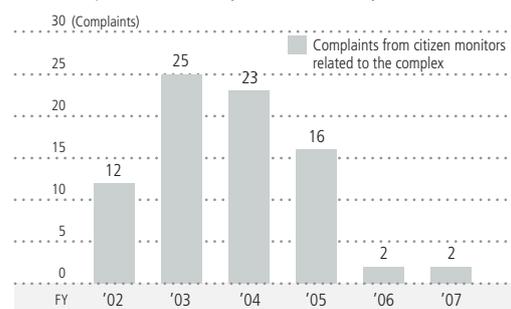
Total Phosphorus Emissions*4



Total Nitrogen Emissions*4



Odor Complaints in Ube City (Source: Ube City environmental data)



Glossary

*1 SOx: Sulfur oxides originate in the sulfur (S) component of fuels. Boilers are the main source of SOx.
 *2 NOx: Nitrogen oxides originate in the nitrogen (N) components of fuel and air when a fuel is combusted in the air. Boilers and cement kilns are the main sources of NOx.
 *3 COD (Chemical Oxygen Demand): This is an indicator of water pollution by organic substances and represents the amount of oxygen consumed in the chemical oxidation of organic matter.
 *4 Total phosphorus, total nitrogen: These are indicators related to the maintenance of living environments in oceans and lakes.

Implementing Occupational Safety and Health Measures to Ensure that Employees Can Work Safely

Based on its principle of "Ensuring operational safety shall be the priority in all areas and activities under UBE's commitment to respect human life," the UBE Group promotes the introduction of measures for occupational safety and health at all its sites.

Measures to Prevent Occupational Accidents

To eradicate occupational accidents, the UBE Group promotes a variety of activities, including risk prediction training, TPM activities, Hiyari-Hatto activities (to promote measures that prevent near misses), confirmation of safety through actions and set phrases, accident case studies, risk assessment, and custom-designed, experience-based training. Concurrently, UBE regularly audits its safety management systems and provides advice, including recommendations for improvement.

Safety and Health Committee meetings are held at all factories on a monthly basis, providing the opportunity for participants, including management and labor representatives, to report and discuss safety-related issues.

The UBE Group holds an annual Group Safety and Health Conference where safety awards are presented and employees, including those from partner companies, have an opportunity to increase their awareness of safety issues.

Based on the results achieved in fiscal 2008, actions are being taken in small groups at all UBE factories and other facilities with the aim of completely avoiding lost work days due to accidents in fiscal 2009.

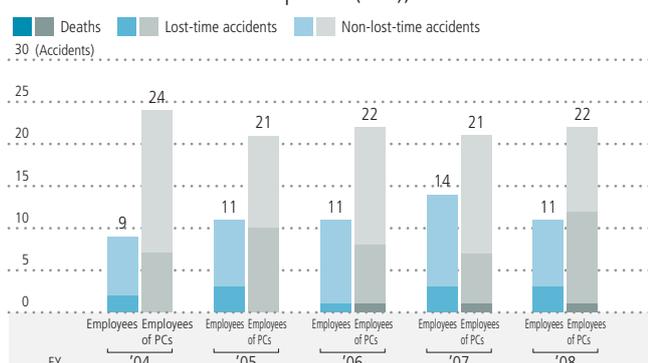
● Acquisition of OSHMS Certification

The UBE Group has established Occupational Safety and Health Management Systems (OSHMS) as a framework for its accident reduction efforts and encourages all Group companies to acquire OSHMS certification. As a result, all UBE factories and laboratories have acquired the certification (see page 44).

● Measures against Asbestos

The UBE Group recommends that employees who have handled asbestos-related products, including those who are now retired, undergo health examinations and responds in good faith through such actions as cooperating in the submission of industrial accident applications by individuals whose examination results warrant medical attention. The Group also conducted surveys to determine if buildings and manufacturing facilities contained asbestos and appropriately treated locations where a high rate of asbestos diffusion was found. For locations where there is a significant possibility of asbestos diffusion in the future, the Group is promoting systematic measures for the disposal and replacement of asbestos materials. Moreover, insulation and gaskets are replaced regularly with substitute products when piping is opened.

Number of Occupational Accidents (Involving Employees of UBE and Those from Partner Companies (PCs))



● Prior Safety Assessment of Chemical Substances

Based on procedures designated in the safety assessment standards, we also perform in advance safety assessments of chemical substances that we have developed or plan to start handling. In fiscal 2008, the UBE Group performed 30 chemical substance safety assessments.



UBE Group Safety and Health Conference (all executives and employees share the same safety calls)



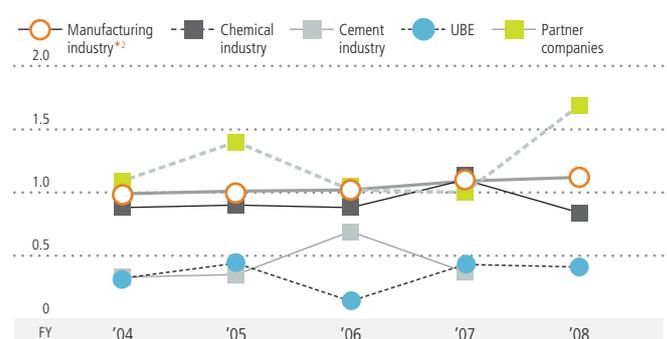
The safety assurance and accident reduction poster represents the culmination of opinions gathered by over 3,000 UBE Group employees at UBE's workplace safety conference.

Causes of UBE Group Occupational Accidents (Percentage of all accidents) (%)

	2004	2005	2006	2007	2008
Combination	27	36	41	41	56
Unsafe actions	64	49	43	48	37
Defective equipment	7	12	9	3	4
Others	2	3	4	8	3

Combination: Unsafe actions and defective equipment

Lost-Time Injury Frequency Rate*1



*1 Frequency rate = (Number of lost-time injuries)/(total work hours) x 1,000,000 hours

*2 Data on lost-time industry frequency rates for the manufacturing, chemical, and cement industries is based on statistics supplied by the Ministry of Health, Labour and Welfare

Working to Maintain Process Safety and Safe Facility Operations

Safe facility operations is a key mission for the security of employees and local residents. We are spreading a culture of safety throughout the entire UBE Group.

Taking Steps to Maintain Process Safety and Safe Operations

● Plant Safety Assessment

The methods stipulated in the plant environment and safety assessment standards are followed when carrying out pre- and post-plant safety assessments of newly installed, additional, or modified facilities. In fiscal 2008, the UBE Group carried out 47 environment and safety assessments of new installations and facility modifications.

● Emergency Training

Each month a variety of safety-related activities are conducted at the sites of the UBE Group. These include emergency drills, mutual workplace checks by safety supervisors, and mutual safety patrols with partner companies. The status of training is also posted on our website so that it is informative even to those who have not participated in training or patrols.

● High-Pressure Gas Equipment, Boiler and Class-1 Pressure Vessel Inspector Certification

At factories where the treatment of high-pressure gas has been approved by the Japanese government, we acquire and update inspector certification for post completion/safety inspections based on the High Pressure Gas Safety Law. In addition, at factories equipped with boilers and Class-1 pressure vessels, we acquire and update inspector certification for inspections during operation, based on the Industrial Safety and Health Act. By so doing, we improve the safety management system with the aim of further improving the safety of these factories. In fiscal 2008, the Sakai Factory updated its certification. (See page 44 for details.)

● Environment & Safety Qualification

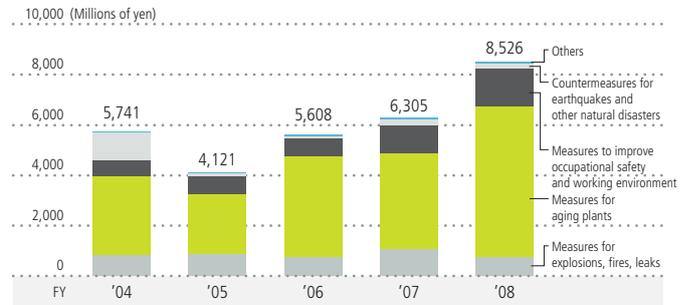
We encourage employees to obtain legally recognized qualifications for the safe operation and management of our workplace.

Number of Employees with Environment & Safety-Related Qualifications (as of April 2009)

(Unit: Employees)

Qualification	UBE Group	UBE
Pollution control managers and chiefs	573	427
Environmental measurement experts	17	14
Working environment measurement experts	66	57
Health supervisors	400	310
Energy supervisors	295	226
Hazardous materials supervisors	5,226	3,916
Operation chiefs for handling of specified chemical substances	1,019	653
High-pressure gas production safety officers	1,673	1,425
Boiler technicians	1,407	1,052

Occupational Safety, Health and Disaster Prevention Expenditure of UBE Group



UBE Group Facility-Related Accidents (including environmental accidents)

(Unit: Accidents)

	2004	2005	2006	2007	2008
UBE	1	0	0	0	0
Group companies	1	1	3	1	4



Comprehensive disaster prevention drill

Guest Message

In Pursuit of Safety and Security

Most accidents involving hazardous materials comprise many factors in the process leading up to them and these factors become entangled inevitably or by chance.

In order to construct a voluntary safety system for the safety and security of local residents and for the development of society, not only must a company understand compliance, but the company's employees must also personally understand the risk factors based on the characteristics of the facility. To identify and implement the best measures is extremely important, and as firefighters, we have high expectations.

In order to guide these company efforts in a fruitful direction, it is vital that the



public and private sectors cooperate to prevent accidents and thereby assure co-existence and co-prosperity. In order to improve, strengthen and maintain the company's safety system, we firefighters wish to be good, trustworthy partners.

Kazuhiko Toshishige

Manager of Ube City Fire Station

Socially Valuable Products and Technologies of UBE Group

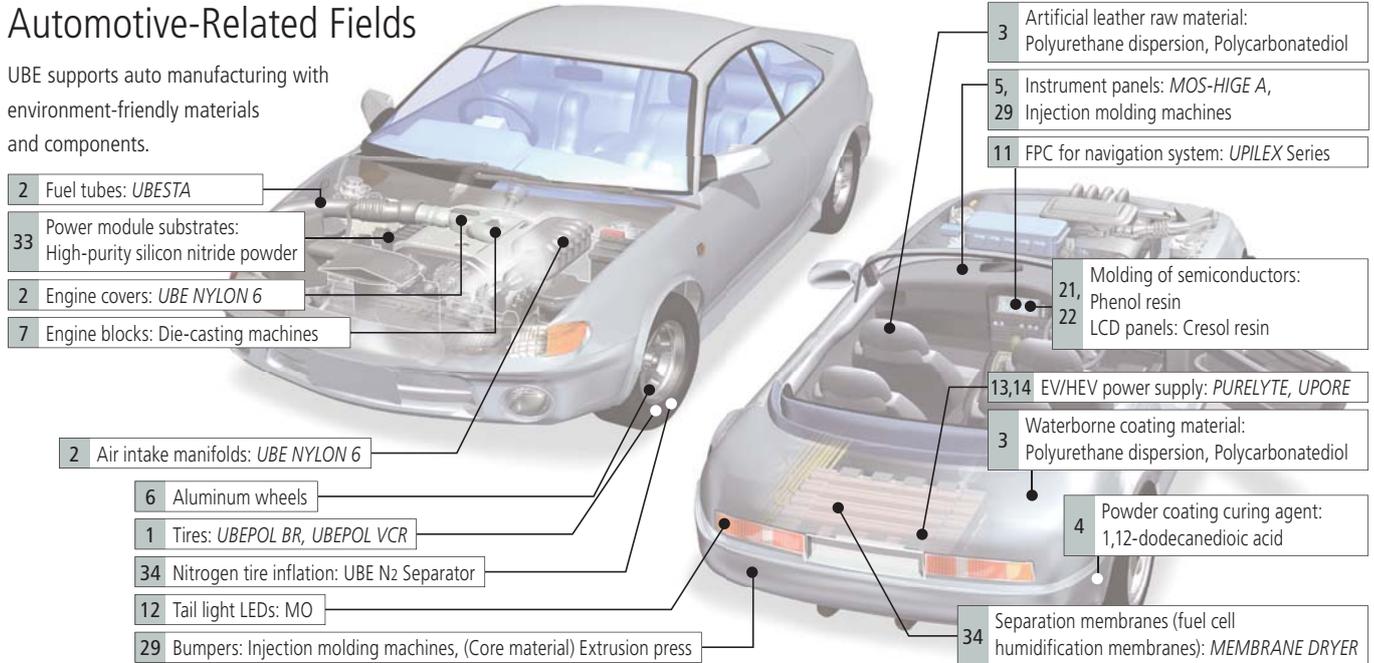
The UBE Group provides a large variety of products and technologies, ranging from those related to the automobile and information industries to those in use in society, its accompanying infrastructure and daily life. The Group actively promotes projects that enable reductions in CO₂ emissions and the creation of a recycling-based society in all of its business fields and works hard to provide "products and technologies that are friendly to both humans and the environment." Introduced here are some of the UBE Group's products, which total more than 500.

Legend: Product benefits

-  Reducing CO₂ emissions: Reducing emissions of greenhouse gases known to contribute to global warming
-  Recycling: Reusing waste or improving the quality of waste for effective recycling and utilization of resources
-  Purification of water: Improving the quality of water and sterilizing water to preserve a clean environment
-  Energy saving: Streamlining through weight reduction and improving efficiency in terms of fuel, equipment, time and processes
-  Controlling emissions of toxic substances: Not emitting toxic substances
-  Providing environment-conscious products: Producing and using alternative products that are friendly to the environment
-  Contributing to a better life

Automotive-Related Fields

UBE supports auto manufacturing with environment-friendly materials and components.



Chemicals

★ 1   

Polybutadiene rubber
UBE POL BR, UBE POL VCR
Synthetic Rubber Business Unit

Applications: Automotive tires, footwear, polystyrene quality improvement agent, etc.
Features: More elastic and rub-resistant than natural rubber. Among the wide variety of UBE's specialty products, *UBE POL VCR* is a groundbreaking product, enabling reduced weight in rubber products.

★ 2   

Polyamide resin
Nylon 6: UBE NYLON 6
Nylon 12: UBE STA, UBE STA XPA
Nylon Engineering Plastics Business Unit

Applications: Automotive components including air intake manifold, food packaging film, monofilament, etc.
Features: It is the toughest resin among engineering plastics. Often used for automotive components due to its good thermal and chemical resistance and better processing, helping to reduce weight and lower fuel consumption. Suitable for food package with a long shelf life because of its superior oxygen gas barrier property. Caprolactam and laurolactam are the raw materials and are produced by the UBE Group.

★ 3   

Raw material for waterborne coating and artificial leather
A. Polyurethane dispersion (*ETERNACOLL UW series*)
B. Polycarbonatediol (*ETERNACOLL UH series*)
Fine Chemicals Business Unit

Applications: Automotive waterborne coating, artificial leathers for luxury cars
A. Features: As waterborne polyurethane, contributes to the reduction of VOCs (volatile organic compounds)
B. Features: Used as the primary material for high-grade polyurethane applications (waterborne coating, high-durable PU resins, artificial leathers), which have low environmental impact.

4  

Powder coating curing agent 1,12-dodecanedioic acid
Fine Chemicals Business Unit

Applications: Curing agent for powder coating material used for automotive wheels
Features: As a resin curing agent for powder coating material, helps reduce VOC emissions.

Cement & Construction Materials

5    

Basic magnesium sulfate
A. *MOS-HIGE A*
B. *MOS-HIGE Hybrid*
Ube Material Industries, Ltd.

A. Applications: Resin filler, replacement for asbestos
Features: Helps reduce the weight of automotive PP resin components
B. Applications: Treat wastewater generated by chemical mechanical polishing (CMP) process
Features: Recycles CMP-related wastewater.

Machinery & Metal Products

6    

Aluminum wheels
Squeeze-cast aluminum wheels
UBE ALUMINUM WHEELS Ltd.

Applications: Automotive wheels. Used as genuine wheels for luxury cars (sedans, SUVs) and hybrid cars of Japanese and other automakers.
Features: Achieves a 10-20% weight reduction from conventional casting models, leading to higher energy efficiency.

7    

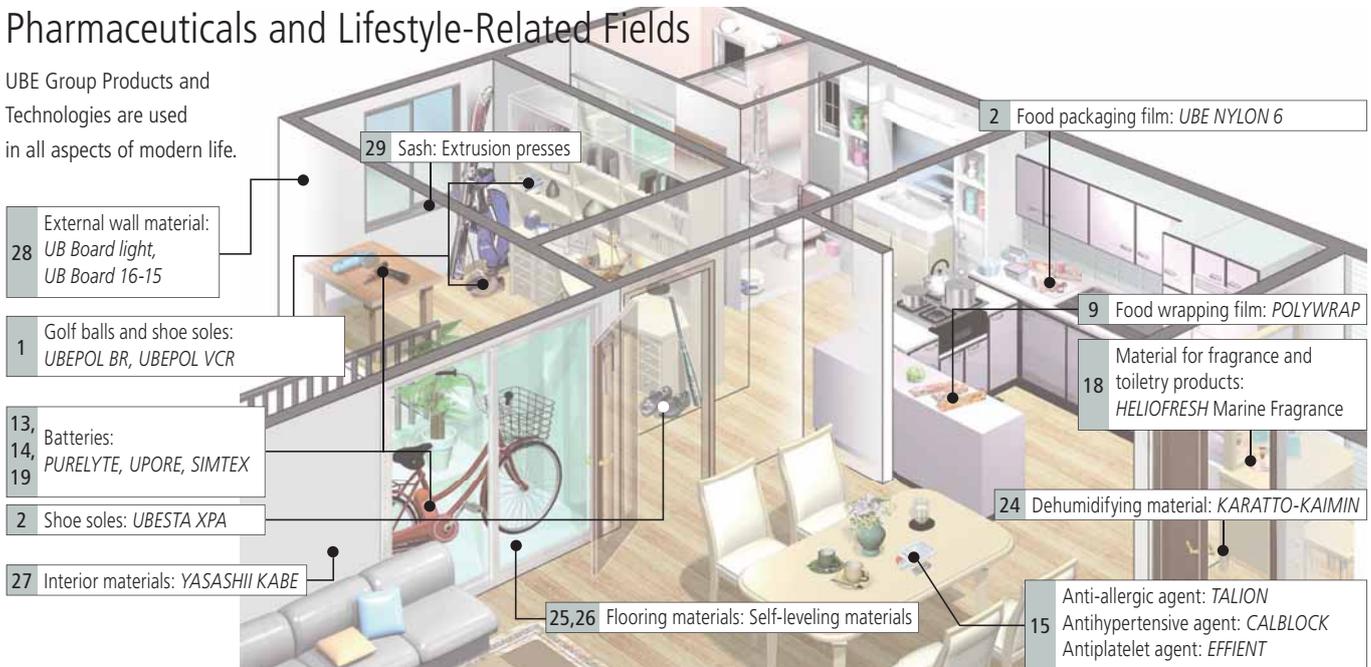
Die-Casting Machines
Ube Machinery Corporation, Ltd.

Applications: Automotive aluminum components, including engine blocks and transmission cases
Features: Achieves higher energy and space efficiencies and greater functionality. Machines are the world's smallest of their kind.

★ Indicates an example of application

Pharmaceuticals and Lifestyle-Related Fields

UBE Group Products and Technologies are used in all aspects of modern life.



Chemicals



★ 8
 Recycle compound
UBE-COMPOSITE
 RCP Project Promotion Group

Applications: Home appliances, automotive components, stationary
 Features: Color-adjusting recycle compound, which can change the color tone of waste plastics.



9
 A. POLYWRAP
 B. Shrink film ECO SOFT
 Ube Film, Ltd.

Applications: Food wrapping film and additive-free polyethylene wrapping film
 Features: No emission of dioxin or other toxic gases when combusted because it contains no chlorine.



10
 Hydrogen peroxide
 UBE-MC Hydrogen Peroxide, Ltd.

Applications: Bleaching and sterilizing of pulp and paper
 Features: Reduced environmental impact of related processes. Generates non-hazardous, non-toxic water and oxygen when decomposed. Replacement for chlorine.



11
 Polyimide film **UPILEX Series**
 Electronic Components & Materials Business Unit

Applications: Base material for ICs used in digital equipment, such as LCD/plasma TVs, cellular phones, and digital cameras
 Features: Well-suited for use as base material for high-resolution circuits due to its high dimensional stability with high heat resistance and rigidity.



★ 12
 Metal organic compounds (MO)
 High Purity Chemicals Business Unit

Applications: Raw material for Light-Emitting Diodes (LED)
 Features: Requires less electricity and lasts longer than conventional light bulbs.



★ 13
 Functional electrolytes for lithium-ion batteries
PURELYTE
 Specialty Products Business Unit I

Applications: Electrolytes for lithium-ion batteries
 Features: Functional electrolytes are designed to customer requirements with the combination of highly purified electrolyte and additives for controlling battery performance.



14
 Microporous Polyolefin Film **UPORE**
 Separator Group
 Specialty Products Business Unit II

Applications: Lithium-ion battery separators
 Features: Manufactured using a dry process that uses neither solvents nor inorganic fillers, making it eco-friendly and contaminant free.



15
 A. Anti-allergic agent **TALION**
 B. Antihypertensive agent **CALBLOCK**
 C. Antiplatelet agent **EFFIENT**
 API & Intermediaries Business Unit

A. Applications: Medicine to alleviate allergic reactions such as hay fever
 Features: The first pharmaceutical product developed by UBE. Marketed by Mitsubishi Tanabe Pharma Corporation.
 B. Applications: Medicine to lower blood pressure
 Features: Calcium blocker. Joint development with Daiichi Sankyo Co., Ltd., which is also responsible for sales operations.
 C. Applications: Medicine that controls the buildup of platelets within blood vessels (coagulation of blood)
 Features: Approved for sale in Europe and the United States. Daiichi Sankyo Co., Ltd. and Eli Lilly and Co. also responsible for sales operations. Joint development with Daiichi Sankyo Co., Ltd.



16
 Raw material for used for UV-curing coating/adhesive material
Oxetane (ETERNACOLL EHO, OXBP, OXMA, HBOX)
 Fine Chemicals Business Unit

Applications: Sealant and adhesive for electronic materials
 Features: Used as raw material for UV-curing coating/adhesive material, helping reduce VOC emissions.



★ 17
 A. DMC (dimethyl carbonate)
 B. DPC (diphenyl carbonate)
 Fine Chemicals Business Unit

A. Applications: Solvent for ink, coatings, adhesives and others
 Features: A solvent of low-toxicity that improves the work environment and the eco-friendly quality of printed materials.
 B. Applications: CDs, DVDs and other optical uses, frames for home appliances and other products, polycarbonate resin monomer used in car port roofs, expressway sound insulating boards and other products.
 Features: Contributing to a safer and cleaner production process by not using the poisonous gas, phosgene, during the manufacture of polycarbonate resin.

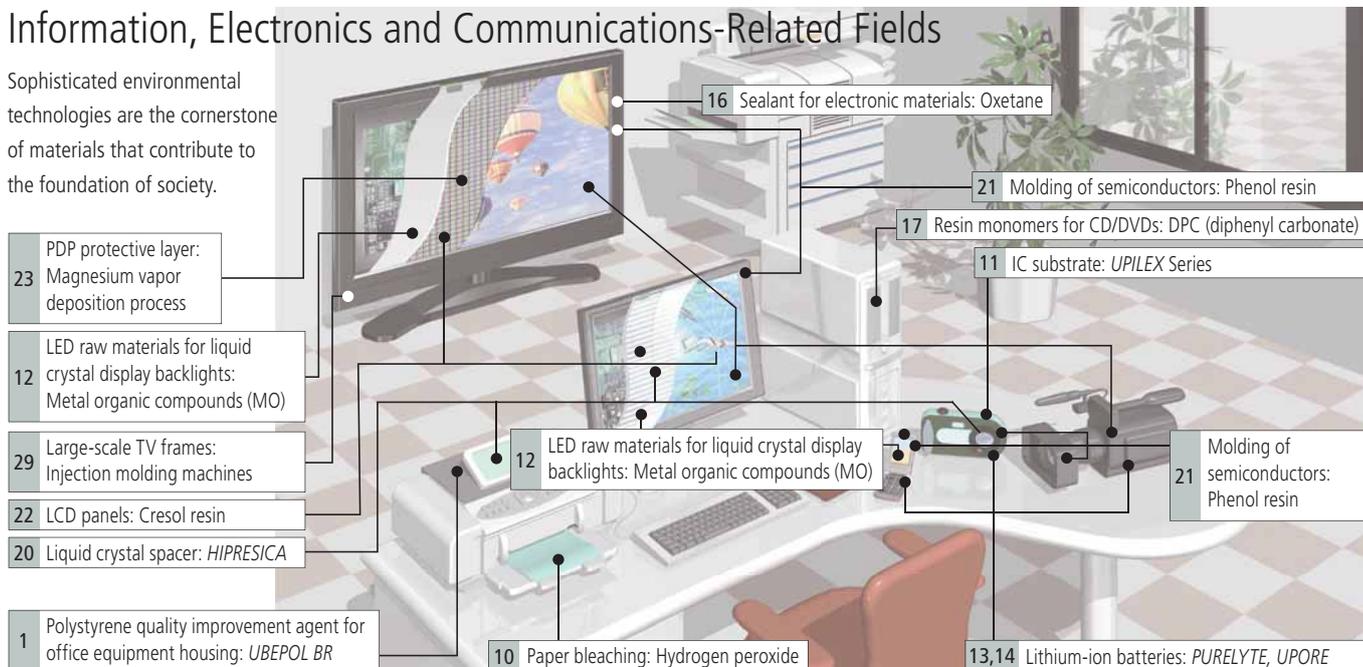


18
 Material for fragrance and toiletry products **HELIOFRESH**
 Fine Chemicals Business Unit

Applications: Synthetic fragrance for perfume and toiletry product
 Features: As a replacement for natural fragrance, reduces the need to log sassafras trees (a kind of lauraceae).

Information, Electronics and Communications-Related Fields

Sophisticated environmental technologies are the cornerstone of materials that contribute to the foundation of society.



19 High-strength polypropylene fiber *SIMTEX*
Ube-Nitto Kasei Co., Ltd.

Applications: Nickel-hydrogen battery separator equipped on hybrid cars
Features: Polypropylene fibers that have undergone highly oriented crystallization through a newly adopted stretching process



20 Silica particles *HIPRESICA*
Ube-Nitto Kasei Co., Ltd.

Applications: Spacer for liquid crystal displays
Features: Providing single dispersal with a spherical shape, this is ideal as a spacer (a gap material used to maintain the liquid crystal at an even thickness), essential to high-performance liquid-crystal displays.



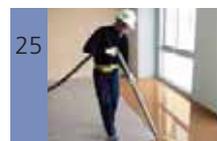
21 Phenol resin *MEH-7851*
Meiwa Plastic Industries, Ltd.

Applications: Molding of semiconductors used in hybrid and electric vehicles, computers and cellular phones
Laminates
Features: Used to harden epoxy resins. Incombustible due to its special resin structure, eliminating the need to use halogenated flame retardant. Environment-friendly, halogen-free material.



22 Cresol resin *MER-7959*
Meiwa Plastic Industries, Ltd.

Applications: The raw materials of the photoresist used for circuit formation in the LCD panels of LCD TVs, cellular phones and other products
Features: Proprietary technology is used to realize control of alkaline dissolution speed, high-sensitivity, and high-residue film, while contributing to the increasing precision of LCD panels and low energy consumption



25 Self-leveling materials
Construction Materials Sales, Construction Materials Div.

Applications: Flooring material
Features: Its rapid-hardening property allows smooth and flat flooring to be completed within a short period, helping to accelerate the entire construction period.



26 F☆☆☆☆ Mark-certified (formaldehyde-free) construction materials
Construction Materials Sales, Construction Materials Div.

Applications: Plastering, flooring, and walling materials for living areas
Features: Obtained the F☆☆☆☆ Mark certification, the most rigorous formaldehyde release standard under a voluntary labeling system in Japan Building Coating Materials Association. Being formaldehyde-free, it has no negative effects on health and the environment.



27 Healthy, humidity-conditioning building material *YASASHII KABE*
Ube Board Co., Ltd.

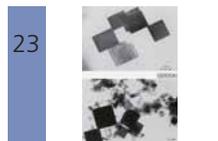
Applications: Interior materials for restrooms, entrances, storage areas, closets, rooms with odor/high humidity
Features: Primarily made from natural diatomite. Capable of humidity conditioning and absorption and decomposing of VOCs that cause sick building syndrome, helping to maintain a pleasant living environment.



28 External wall material *UB Board Light* *UB Board 16-15*
Ube Board Co., Ltd.

Applications: External wall materials
Features: An eco-friendly product that reuses fly ash and other industrial waste in raw materials

Cement & Construction Materials



23 Oxidized magnesium, a vapor-deposited, high-purity fine powder magnesia
High purity & ultrafine Single crystal magnesia powder
Ube Material Industries, Ltd.

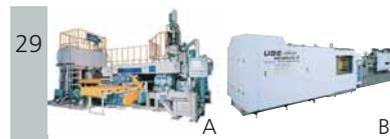
Applications: Base material for PDP protective layers and phosphors
Features: Produced through a vapor oxide reaction that occurs when high-purity magnesium vapor combines with oxygen.



24 Dehumidifying material *KARATTO-KAIMIN*
Ube Material Industries, Ltd.

Applications: Dehumidifying material for clothes and mattresses
Features: The main component is Type-B silica gel, capable of being used repetitively after drying in the sun.

Machinery & Metal Products



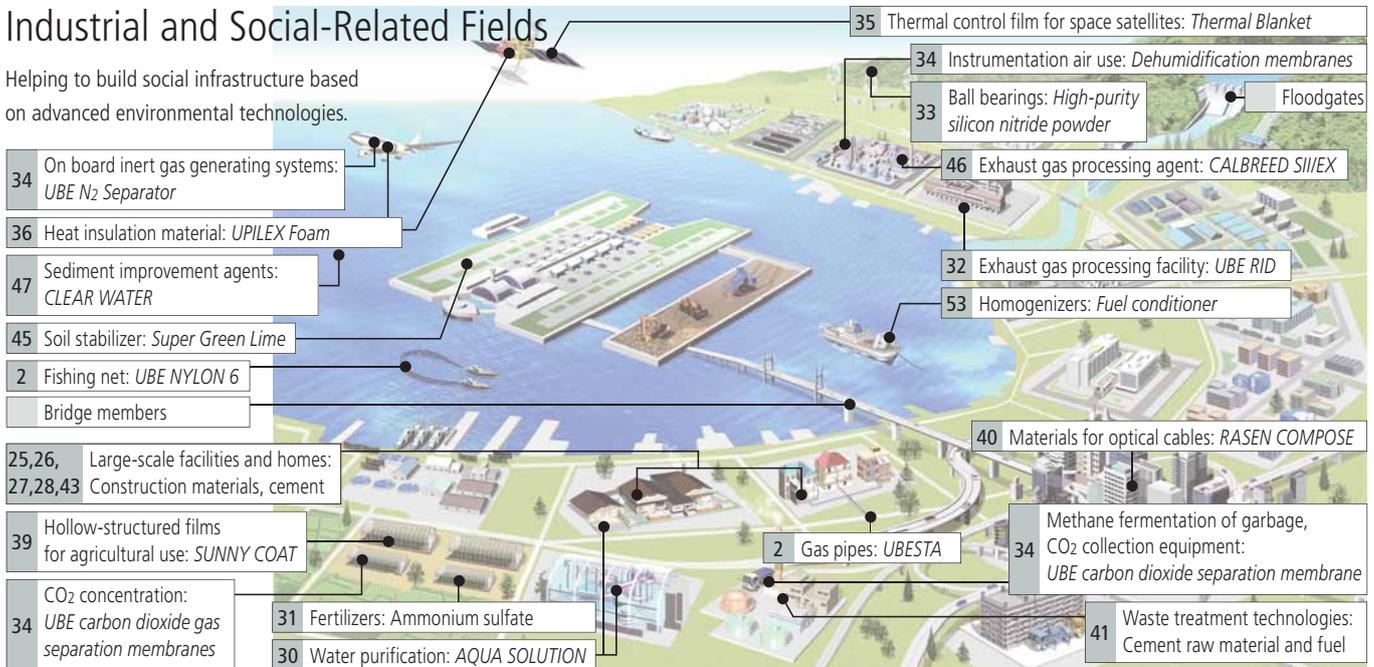
29 A. Extrusion presses
B. Injection molding machines (All-electric IM)
Ube Machinery Corporation, Ltd.

A. Applications: Aggregate materials for car bumpers and aluminum sash for window frames
Features: Japan's sole extrusion maker meets the diverse needs of countries around the world through creative technologies and development capabilities for complex and intricate extrusion molding.
B. Applications: Molding machines for automotive and home appliance plastics, including large-screen TVs and washing machine frames
Features: This all-electric machine can achieve substantial reduction in energy consumption compared to general hydraulic injection molding machine.

★ Indicates an example of application

Industrial and Social-Related Fields

Helping to build social infrastructure based on advanced environmental technologies.



34 On board inert gas generating systems: *UBE N₂ Separator*

36 Heat insulation material: *UPILEX Foam*

47 Sediment improvement agents: *CLEAR WATER*

45 Soil stabilizer: *Super Green Lime*

2 Fishing net: *UBE NYLON 6*

Bridge members

25,26, 27,28,43 Large-scale facilities and homes: Construction materials, cement

39 Hollow-structured films for agricultural use: *SUNNY COAT*

34 CO₂ concentration: *UBE carbon dioxide gas separation membranes*

31 Fertilizers: Ammonium sulfate

30 Water purification: *AQUA SOLUTION*

35 Thermal control film for space satellites: *Thermal Blanket*

34 Instrumentation air use: *Dehumidification membranes*

33 Ball bearings: *High-purity silicon nitride powder*

Floodgates

46 Exhaust gas processing agent: *CALBREED SIIIEX*

32 Exhaust gas processing facility: *UBE RID*

53 Homogenizers: *Fuel conditioner*

40 Materials for optical cables: *RASEN COMPOSE*

Methane fermentation of garbage, CO₂ collection equipment: *UBE carbon dioxide separation membrane*

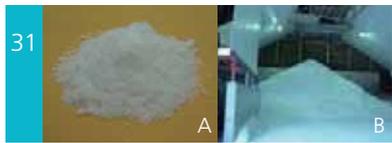
41 Waste treatment technologies: Cement raw material and fuel

Research & Development

30  **Photocatalytic fiber module *AQUA SOLUTION***
Photocatalytic Products Team, Administration & Planning Department

Applications: Sterilization of bath water, purification of plating rinse water
Features: Utilizing light to purify water (photocatalytic reaction). A human and environment-friendly system without chemical use. Received the Environmental Minister's Prize at the 2004 GSC Awards

Chemicals

31  **A. Caprolactam**
B. Ammonium sulfate
Caprolactam Business Unit

A. Applications: Nylon-6 raw material
Features: Production bases in Japan, Thailand and Spain. One of the world's top three producers
B. Applications: Raw material for nitrogen fertilizer
Features: Caprolactam byproduct material

32  **Exhaust gas processing facility *UBE RID***
High Purity Chemicals Business Unit

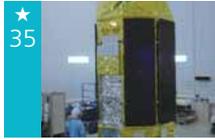
Applications: Capture exhaust emissions from semiconductor/LCD factories
Features: Complete capture of toxic hazardous gases/powders emitted from operations of semiconductor/liquid crystal factories

33  **High-purity silicon nitride powder**
Ceramics Group
Specialty Products Business Unit II

Applications: Ball bearings for wind power generators, glow plugs for diesel engines, power module substrates for automobiles
Features: Wide range of applications because of its excellent durability and ability to prevent electrolytic corrosion.

34  **Separation membranes**
A. *UBE organic solvent (alcohol) dehydration membranes*
B. *UBE carbon dioxide gas separation membranes*
C. *Nitrogen separation membranes (UBE N₂ Separator)*
Others: *Hydrogen separation membranes; Dehumidification membranes*
Separation Membranes Groups, Specialty Products Business Unit II

A. Applications: Bioethanol dehydration
Features: Effectively dehydrates azeotropic compositions. Membrane separation can increase solvent concentration to more than 99%.
B. Applications: Removes CO₂ from bio-gases (methane)
Features: Removes CO₂ from gases generated by sludge and refuse, increasing the methane concentration
C. Applications: Nitrogen generators for filling tires and explosion protection for mines, oil tankers, etc.
Features: Tire pressure is less likely to drop, increasing fuel efficiency. Explosion protection for oil fields, tankers, etc.

35  **Thermal control film *Thermal Blanket***
Aerospace Materials Business Group

Picture is provided by JAXA
Applications: Thermal control material for aerospace applications
Features: Thermal control film made from *Upilex* film with vapor-deposited aluminum and other materials. Offers superior environmental resistance in outer space and is widely used in Japanese satellites.

36  **Polyimide foam *UPILEX Foam***
Aerospace Materials Business Group

Applications: Thermal insulation and sound and vibration absorption in satellites, airplanes, etc.
Features: Provides thermal, fire and environmental resistance not available in conventional foams.

37  **Nori seaweed farming material *COMPOSE Pipe***
Ube-Nitto Kasei Co., Ltd.

Applications: Pipes for nori seaweed farming
Features: Better durability than traditional bamboo pipes. At the end of its lifecycle for the intended purpose, the pipe can be coated again and used as an agricultural pole and for other purposes.

38  **Plastic cardboard *DANPLATE***
Ube-Nitto Kasei Co., Ltd.

Applications: Returnable boxes, delivery containers, etc.
Features: Returnable boxes made from *DANPLATE* are heavier-duty than paper ones. Can be used many times and is recyclable.

39  **Hollow-structured films for agricultural use *SUNNY COAT***
Ube-Nitto Kasei Co., Ltd.

Applications: House double curtains for agricultural use
Features: Exhibits heat-retention effects with superior middle air layer. Curbs energy consumption when heating the house.

40  **Material for optical cables *RASEN COMPOSE***
Ube-Nitto Kasei Co., Ltd.

Applications: *Rasen Compose* spacers for optical cables
Features: Ideal for protecting the optical fiber and high-density packages. Used in Japan's nationwide optical communications network.

Cement & Construction Materials

41



- Waste treatment technologies**
A. High-chlorine bypass system
B. Sewage sludge treatment facilities
C. Sewage sludge transport system using JR's containers
D. Facility to treat incineration ash from household waste
E. Waste oil/liquid treatment facility
F. Facility to produce fuel from waste plastic
G. Biomass wood chip manufacturing facility

Material Recycle Div.

- A. Features:** Capable of treating waste with high-chlorine content waste, such as incineration ash from household waste and RDF.
B. Features: Facility that uses sewage sludge as cement material.
C. Features: Reduces CO₂ emissions through modal shift. Uses deodorizer-equipped containers to reduce odor levels.
D. Features: Facility to treat incineration ash resulting from disposal of household waste and digging out old ash at waste disposal sites when renovating the sites for long-term use.
E. Features: Facility to detoxify waste oil and waste liquid.
F. Features: Facility to crush waste plastics and produce alternative fuel (as opposed to fossil fuel).
G. Features: Facility to produce wood chips from waste and thinned woods, which are used as fuel for electric power generation. Contributes to optimization of biomass resources.

★
42



Gardening material **GREEN THUMB**

Construction Materials Sales, Construction Materials Div.

- Applications:** Light artificial gardening soil
Features: Non-toxic, germ-free artificial soil made from perlite. Facilitates plants' growth by enhancing the airflow and water retention of the soil.

★
43



Portland cement Fly ash cement Blast furnace slag cement

Ube-Mitsubishi Cement Corporation

- Applications:** Civil engineering and construction processes
Features: Uses industrial waste, including sewage sludge, blast furnace slag (generated by steel manufacturers) and fly ash (generated by coal-fired power plants), as a part of raw materials and fuels.

★
44



Cement-based solidification agent A. **U-STABILIER 50** B. **U-STABILIER Super**

Ube-Mitsubishi Cement Corporation

- Applications:** Soil stabilizing work
A. Features: Controls the release of hexavalent chromium from stabilized soil during construction.
B. Features: Controls dust generation during soil stabilizing work.

★
45



Soil stabilizer A. **Super Green Lime** B. **Green Lime LS**

Ube Material Industries, Ltd.

- Applications:** Soil stabilizer
A. Features: Teflon-coated, lime-based soil stabilizer that does not spread dust during construction.
B. Features: Original quicklime-based soil stabilizer that does not contain cement.

46



Exhaust gas processing agent **CALBREED SIIIEX** **Sorbalit**

Ube Material Industries, Ltd.

- Applications:** Removal of toxic materials contained in exhaust gas
Features: Exhaust gas treatment agent to improve ability to absorb toxic acid gases emitted during incineration of industrial waste. Ultrahigh exhaust gas agent that features quality improvements that surpass conventional products.

★
47



Sediment improvement agents **CLEAR WATER**

Ube Material Industries, Ltd.

- Applications:** Purification of seawater, sediment improvement agent for farms
Features: Improves water and sediment quality in fish farms, enclosed water areas, etc.

Machinery & Metal Products

48



Air Floating Conveyor

Ube Machinery Corporation, Ltd.

- Applications:** Carries materials on a belt supported by continuous air flow
Features: Since the conveyor belt is fully sealed, neither dust nor fumes leaks outside. Maintenance costs are inexpensive.

49



Biomass-fueled water boiler **Binder Boiler**

Ube Techno Eng. Co., Ltd.

- Applications:** Water boiler using various types of biomass as fuel
Features: Boiler that can operate with a wide variety of biomass fuels (e.g., wood pellets, wood chips, and animal excrement).

50



Facility to improve water quality with micro-bubble ozone **MBO3**

Ube Techno Eng. Co., Ltd.

- Applications:** Decolorization, sterilization of wastewater and reduction of sewage sludge volume
Features: With micro-bubble ozone, decolorizes and sterilizes wastewater and reduces the volume of sewage sludge effectively.

51



Kiln Exhaust Heat Recovery Equipment

Ube Techno Eng. Co., Ltd.

- Applications:** Recovers heat that is produced from the body of kilns
Features: Conventional kilns can be converted at low cost allowing for the recovery of exhaust heat as hot water.

52



Billets (steel ingots for rolling)

Ube Steel Co., Ltd.

- Applications:** Steel material for rolling to produce shaped steel, bar steel, wire rods, etc.
Features: Manufactured in an electric furnace under a process that recycles steel resources. Environment-friendly, recycled product that uses scrap (main material), as well as industrial waste (e.g., waste plastics), as raw materials and fuels.

53



Homogenizer **Fuel conditioner**

Fukushima, Ltd.

- Applications:** Equipment to reduce sludge contained in heavy fuel oil for vessel engines 70-80%.
Features: This specially designed equipment uses ultrasound to convert engine sludge, which causes air-polluting soot and abrasion of engine components-into microparticles. The resulting clean heavy oil can be combusted without extra process to power vessels.

54



Energy-saving grab bucket

Fukushima, Ltd.

- Applications:** Grab bucket used at waste disposal facilities
Features: Reduces CO₂ emissions by about 28% compared to the conventional fixed pump type.

Energy & Environment

55



Pressurized two-stage gasification process **EUP**

EUP Business Unit

- Applications:** Chemical recycling of waste plastics
Features: The world's first commercial chemical recycling technology that turns organic waste into gas. Specifically, produces synthesis gas products out of waste plastics.

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Facility to produce biomass fuel for power plants

Power Business Unit

- Applications:** Dry and grind wood biomass (e.g., waste construction materials) at a dedicated grinding mill so as to use it in co-firing with coal in a pulverized coal boiler
Features: With a high co-firing ratio (9%, caloric base), achieves a 100,000-ton annual reduction of CO₂ emissions at UBE's IPP power generation plant.

Site Reports (UBE Group's Environmental Performance for Targeted Companies and Principal Manufacturing Bases)

Chiba Petrochemical Factory

Location: 8-1 Goi Minami Kaigan, Ichihara City, Chiba Prefecture
Start of operations: 1964
Site area: 562,000 m²
No. of employees: 211
Main products: Polyethylene, butadiene rubber, waterproofing materials, polyimide products (COF)



Our factory is located in the coastal industrial area of Ichihara City, Chiba Prefecture, in a city that harmoniously coexists with nature and industry. We manufacture butadiene rubber, polyethylene petrochemical products and processed goods. We would like many people to visit the factory, and with "We value interaction" as our motto, we want to continue to develop into a better factory capable of satisfying everyone.

Makoto Aikawa, Factory Manager

Ube Chemical Factory

Location: 1978-10 Kogushi, Ube City, Yamaguchi Prefecture
Start of operations: 1933
Site area: 671,000 m²
No. of employees: 1,080
Main products: Caprolactam, nylon resins, industrial chemicals, fine chemicals, high-purity chemicals, polyimide products, separation membranes, new materials, active pharmaceutical ingredients, intermediates



With the support of a great many people, including those in the local community, and as the mother factory for UBE's chemical business, this factory currently produces a wide range of products, from caprolactam (the raw material used to make nylon), fine chemicals and specialty materials, to pharmaceutical products. We seek to be a factory that gains the trust of the local community—a factory that creates value and provides job satisfaction.

Junichi Misumi, Executive Officer, Factory Manager

Sakai Factory

Location: 3-1 Chikko Shinmachi, Nishi-ku, Sakai City, Osaka
Start of operations: 1967
Site area: 463,000 m²
No. of employees: 283
Main products: Caprolactam, ammonia, liquefied carbon dioxide, electrolytes, separation membranes, polyimide products, recycled compounds



Our factory is located in Sakai City, which is an environment model city, has announced the Cool City Proclamation. The factory manufactures chemical products and specialty materials and is taking proactive steps to conserve energy and resources. Our goal is to create a facility that contributes to the local community through dialogue with local residents and cooperation with the government. In 2009, we will again sponsor the Sakai/Semboku District Region Dialogue, and we look forward to your participation.

Kenji Yamagata, Factory Manager

Ube Cement Factory

Location: 1978-2 Kogushi, Ube City, Yamaguchi Prefecture
Start of operations: 1923
Site area: 484,000 m²
No. of employees: 194
Main products: Cement, perlite



To meet diversified customers' needs, we manufacture special cement products, such as high-early-strength cement and low-heat cement. We use the waste and byproduct materials sent from all over the country as raw materials and fuels to make such cement. This allows us to use fewer natural resources and to make significant contributions toward becoming a recycling-based society.

Michio Maruoka, Factory Manager

Isa Cement Factory

Location: 4768 Isa, Isa-cho, Mine City, Yamaguchi Prefecture
Start of operations: 1948
Site area: 255,000 m² (excluding mines)
No. of employees: 155
Main products: Cement, lime stone



Located in Mine City—the site of the Shuhodo limestone caves, which commemorated their 100th anniversary since opening—our factory has one of the largest cement manufacturing and limestone mining operations in Japan. We have increased our waste treatment capacity by building an additional facility to treat waste plastic. We seek to become an "eco factory trusted by the community" by paying the utmost attention to environmental protection—as our plant and mine are located near residential areas—and by building and maintaining harmonious relations with the local community, participating in various local events and operating factory tours.

Masataka Ichikawa, Factory Manager

Kanda Cement Factory

Location: 7 Nagahama-machi, Kanda-cho, Miyako-gun, Fukuoka Prefecture
Start of operations: 1964
Site area: 205,000 m² (excluding mines)
No. of employees: 66
Main products: Cement



Kitakyushu's Kanda is a major industrial area and the site of cement, automotive and other factories thanks to its excellent logistics infrastructure (land, sea and air). Since the factory's founding nearly 50 years ago, we have adapted ourselves to the times and gone through constant development, and as a waste treatment facility, we now play a central role in the recycling-based society. We will mobilize the wisdom of all employees and vigorously push ahead to create a factory that is environment and people friendly.

Mamoru Matsuoka, Factory Manager

Okinoyama Coal Center

Location: 1980-29 Okinoyama, Kogushi, Ube City, Yamaguchi Prefecture
Start of operations: 1980
Site area: 435,000 m²
No. of employees: 38
Main products: Storage and distribution of coal and petroleum coke



In fiscal 2008, we handled more than 6 million tons of coal at Japan's largest fuel coal import transshipment station, which provides a stable supply of coal, an important energy source for Japan. The Center intends to keep meeting customers' expectations by conducting a range of on-site activities with partner companies, increasingly implement health and safety measures, environmental preservation and process safety and disaster prevention.

Sadao Fujimoto, Center Manager

Ube Film, Ltd.

Location: 1020 Onoda, Sanyo-Onoda City, Yamaguchi Prefecture
Start of operations: 1964
Site area: 50,000 m²
No. of employees: 243
Main products: Wrapping film for home use, wrapping film for commercial use



We are committed to being a company that is able to contribute to society by providing a wide variety of films that use polyethylene resin as the main ingredient. All employees will work hard to ensure environmental management, safety and quality, and we will meet the demands of customers by manufacturing human- and environment-friendly wrapping film for home use and new Polywrap, as well as various polyolefin film products that provide functions essential for industrial use.

Hiroshi Nakamura, President

Ems-Ube, Ltd.

Location: 1978-96 Kogushi, Ube City, Yamaguchi Prefecture
Start of operations: 1992
Site area: 13,500 m²
No. of employees: 22
Main products: Lauro lactam, caprolactam, ammonium sulfate



Ems-Ube is the joint company of Swiss-based EMS-CHEMIE Holding AG and Ube Industries, Ltd. Our office and facilities are located within the premises of the Ube Chemical Factory. We are Asia's sole manufacturer of lauro lactam, the raw material used in nylon 12 resin. With the goal of living and prospering together with adjacent residents, all employees are working hard together in quality-, environment- and safety-related activities and to contribute to the development of the community.

Junichi Misumi, President

Ube Ammonia Industry, Ltd.

Location: 2575 Fujimagari, Ube City, Yamaguchi Prefecture
Start of operations: 1972
Site area: 176,000 m²
No. of employees: 88
Main products: Ammonia



We are the only company in Japan that produces ammonia from petroleum coke, or what is called "crude oil residue." The use of this low-value raw material requires advanced production technology. That said, we will clearly position "safety first, environment second, quality third and manufacturing fourth" in our management policy and focus on safe, stable production. Incidentally, ammonia is also the basic raw material for fertilizers and chemical fibers.

Noboru Yoshifuji, President

UBE-MC Hydrogen Peroxide, Ltd.

Location: 2575-78 Fujimagari, Ube City, Yamaguchi Prefecture
Start of operations: 1992
Site area: 13,000 m²
No. of employees: 34
Main products: Hydrogen peroxide



Our factory produces hydrogen peroxide, a very environmentally clean chemical that is the product of the decomposition of water and oxygen alone. We are working to abide by relevant laws and regulations and to achieve a zero-accident workplace based on the fundamental principle, "safety takes precedence over all business." By leveraging environmental management systems, we are proactively preserving and improving the environment and reducing our environmental impact.

Eiji Hashimoto, Factory Manager

Ube-Nitto Kasei Co., Ltd.

Gifu Factory
Location: 2-1-1 Yabuta-Nishi, Gifu City, Gifu Prefecture
Start of operations: 1966
Site area: 154,000 m²
No. of employees: 195
Main products: Material for optical communication cables, high-purity silica particles, flexible copper-clad laminate, FRP products



To protect the precious global environment for future generations, we are also striving to reduce energy consumption and waste generation. Owing to such efforts as the promotion of recycling at the Gifu Factory, we were able to lower emissions from industrial landfill waste to zero.

Shunichiro Maniwa, President

Fukushima Factory
Location: 1-10 Shiojima, Fukuhara, Fukuyama-cho, Kooriyama City, Fukushima Prefecture
Start of operations: 1966
Site area: 30,000 m²
No. of employees: 57
Main products: Conjugated fiber for hygienic materials, high-strength polypropylene fiber, reinforcement fiber for concrete, material for optical communication cables

Meiwa Plastic Industries, Ltd.

Location: 1988-20 Kogushi, Ube City, Yamaguchi Prefecture
Start of operations: 1946
Site area: 20,000 m²
No. of employees: 134
Main products: Phenol type industrial resins, polyimide resin



As a part of our mainstay phenol resin for electronic material, we develop and produce non-halogen/non-heavy metal and flame-retardant biphenyl resin, which helps conserve the global environment. Based on our ISO 9001, ISO 14001, and OHSAS 18001 certified management systems, we proactively practice quality, environment, and occupational health & safety management. Our community contribution programs include sponsorship of the Yamaguchi Junior Soccer Tournament and the Ube Ekiden Relay Race.

Yoshiki Suzuki, President

Ube Material Industries, Ltd.

Ube Factory
Location: 1985 Kogushi, Ube City, Yamaguchi Prefecture
Start of operations: 1948
Site area: 432,000 m²
No. of employees: 302
Main products: Magnesia clinker, other raw materials for refractory, magnesium-related chemical industry products, calcium-related chemical industry products



Ube, Chiba and Mine, which constitute the manufacturing bases of the Company, are utilizing their ISO 14001 certified management system to make ongoing improvements to the environment. Along with making wide-ranging contributions to society through our environment-friendly products, we are deepening our interactions with the local community by actively participating in such local events as the Ube Festival and the Mine Ammonite festival. We will strive to exist in harmony with the local community through these actions.

Kenichi Abe, President

Chiba Factory
Location: 8-2 Goi-Minami-Kaigan, Ichihara City, Chiba Prefecture
Start of operations: 1974
Site area: 50,000 m²
No. of employees: 105
Main products: Calcia, other ceramic products, calcium-related chemical industry products

Mine Factory
Location: 4641-1 Isa-Cho-Isa, Mine City, Yamaguchi Prefecture
Start of operations: 1941
Site area: 84,000 m²
No. of employees: 144
Main products: Calcia, other ceramic products

Ube Board Co., Ltd.

Ube Factory
Location: 1988-1 Okinoyama, Kogushi, Ube City, Yamaguchi Prefecture
Start of operations: 1950
Site area: 97,000 m²
No. of employees: 106
Main products: Exterior materials (cement siding board, slate board), interior materials



As a company that manufactures and sells housing-related materials, we pursue harmony with nature, co-existence with the environment, and the manufacture of safe products. We provide comfort, safety and security for everyone by actively undertaking measures to preserve the global environment, while vigorously manufacturing products that garner the trust of people.

Nobuhiro Kataoka, President

Fuji Factory
Location: 704-65 Hamazoe, Gokanjima, Fuji City, Shizuoka Prefecture
Start of operations: 1967
Site area: 23,000 m²
No. of employees: 19
Main products: Exterior materials (slate board), flooring materials

Ube Machinery Corporation, Ltd.

Location: 1980 Okinoyama, Kogushi, Ube City, Yamaguchi Prefecture
Start of operations: 1942
Site area: 270,000 m²
No. of employees: 679
Main products: Die-casting machines, injection molding machines, extrusion presses, crushing machine, ceramic machine, transportation equipment, water screen equipment, bridge members, floodgates, steel structures



Further evolving our product manufacturing capabilities that we have accumulated over many years, our die-casting machines, electric injection molding machines and crushing machines in particular have undergone technological innovation to achieve higher energy and space efficiencies and greater functionality. At the same time, we make every effort to live in harmony with the local community. We will continue to gain the trust and meet the expectations of customers by providing environmentally friendly products and services that satisfy customers worldwide.

Masahisa Matsumae, Senior Managing Director, Head of Manufacturing Headquarters

Ube Aluminum Wheels, Ltd.

Location: 2575-62 Fujimagari, Ube City, Yamaguchi Prefecture
Start of operations: 1987
Site area: 110,000 m²
No. of employees: 243
Main products: Aluminum car wheels



We made a fresh start in July 2009 as an independent company specializing in the manufacture of aluminum wheels. Based on the utilization of our unique squeeze casting method—characterized by a high level of strength and toughness—we are able to reduce wheel weight, thus contributing to improved vehicle fuel consumption rates and reductions in exhaust gas. We will continue to undertake operations that place the highest priority on maintaining quality in three fundamental areas: environmental management, safety and products.

Takeshi Mihara, President

Ube Steel Co., Ltd.

Location: 1978-19 Okinoyama, Kogushi, Ube City, Yamaguchi Prefecture
Start of operations: 1989
Site area: 102,000 m²
No. of employees: 233
Main products: Billets, castings



We produce billets and castings mainly from scrap metal. We also dispose of and treat waste plastic, medical waste, and other industrial waste. Through our business, we aim to recycle resources and to achieve zero emissions. Based on ISO 9001, ISO 14001, OHSAS 18001 and other management systems, we have been engaged in company-wide activities in quality assurance, environmental management and safety control.

Motofumi Ishii, President

Thailand

Thai Caprolactam Public Co., Ltd.
Location: Rayong, Thailand
Start of operations: 1996
Site area: 192,000 m²
No. of employees: 411
Main products: Caprolactam, ammonium sulfate



In fiscal 2008, all three plants in UBE Group Thailand (TCL, UNT, TSL) maintained consistent operations. In 2009, we took steps to further strengthen our position as a manufacturing base in Asia by commencing operation of the new nylon plant of 50kt/y production capacity. Moreover, with the construction of an R&D center, we are devoted to the promotion of academic endeavors throughout the region.

Charunya Pichitkul, CEO

Ube Nylon (Thailand), Ltd.
Location: Rayong, Thailand
Start of operations: 1997
Site area: 23,000 m²
No. of employees: 93
Main products: Nylon 6 resin, nylon compound

Thai Synthetic Rubbers Co., Ltd.
Location: Rayong, Thailand
Start of operations: 1998
Site area: 40,000 m²
No. of employees: 89
Main products: Butadiene rubber



Spain

Ube Corporation Europe, S.A./Ube Chemical Europe, S.A.
Location: Castellon, Spain
Start of operations: 1967
Site area: 295,000 m² (including UEP)
No. of employees: 259
Main products: Caprolactam, ammonium sulfate and liquid fertilizers, polycarbonatediols, 1,5-pentanediol, 1,6-hexanediol



UCE Group companies acquired ISO 14001 certification in January 2009 and the Regional Government's Integrated Environmental Authorization. This authorization was a result of the Regional Government's approval of the Group's response to the Directive Concerning Integrated Pollution Prevention and Control (IPPC* Directive) issued by the EU Council. However, CO₂ emissions could not be lowered to standard levels set by the Spanish Government due to the Group's inability to obtain a boiler that uses liquid waste as fuel. Operations using a new boiler will begin in 2009 with the aim of reducing CO₂ emissions.

Ricardo Lopez, CEO

*IPPC: Integrated Pollution Prevention and Control Directive

Third-Party Verification and Opinion

In July 2009, UBE received third-party verification of this CSR Report from the Responsible Care Verification Center. This was the fourth time we have had the CSR Report verified. We will further improve the quality and content of our future CSR Reports in reference to the feedback the Center provided us within their verification questionnaire and their written opinion regarding the verification results.



UBE Group CSR Report 2009 Third-Party Verification—Written Opinion

July 30, 2009

Hiroaki Tamura
President & Representative Director
Ube Industries, Ltd.

Akio Yamamoto
Chairman, Verification Advisory Committee
Japan Responsible Care Council

Saburo Nakata
Chief Director,
Responsible Care Verification Center

Objectives of Verification

The Responsible Care Verification Center verified the *UBE Group CSR Report 2009*, created by Ube Industries, Ltd. (hereinafter, "the CSR Report"), to give its opinion regarding the following items in its capacity as an expert in the chemical industry:

- 1) Rationality and accuracy of the method used to calculate and tabulate the performance indicators (numerical data)
- 2) Accuracy of the information other than numerical data provided in the CSR Report
- 3) Performance of Responsible Care (RC) activities
- 4) Characteristics of the CSR Report

Verification Procedures

- The Center staff visited the head office of Ube Industries, Ltd. and asked questions to check the rationale of the method the Company employed to compile numerical data reported from each of its sites (offices and plants) and to check the accuracy of information provided in the CSR Report. Employees in charge of relevant business operations and those in charge of creating the CSR Report answered the questions of the Center staff and presented and made explanations in regard to the documentation used.
- The Center staff also visited the Chiba Petrochemical Factory and asked questions to check the rationale of the method the sites employed to calculate the numerical data reported to the head office and the accuracy of the numerical data and other information provided in the CSR Report. Employees in charge of relevant business operations and those at the Factory in charge of preparing the CSR Report answered the questions of the Center staff and presented and made explanations concerning documentation used. The Center staff also checked the consistency of the items used to verify the material evidence submitted.
- The Center used their sampling method to verify the numerical data and other information contained in the CSR Report.

Opinions

- 1) Rationale of the method used to calculate and tabulate the performance indicators and accuracy of the numerical data
 - Both the head office and the Chiba Petrochemical Factory calculated and tabulated the performance indicators in a rational manner.
 - According to the results of the verification survey, the numerical data was calculated and tabulated in an accurate manner.
 - The Center recommends that revision procedures be specified in order to ensure that methods for revising green purchasing performance indicators at the head office and on site remain consistent.
- 2) Accuracy of information contained in the CSR Report
 - The information published in the CSR Report was accurate. The Center pointed out that some of the expressions used in the draft CSR Report were not appropriate or easy to understand, and corrections were thus made. As a result, with respect to the final CSR Report, there were no such serious problems.
- 3) Performance of the Responsible Care (RC) activities
 - The Center commends the UBE Group for the steady improvement it has made in such initiatives as reducing CO₂ emissions, airborne emissions of chemical substances, the volume of final disposal industrial waste and the amount of waste recycled.
 - The Center recognizes the efforts made by the Chiba Petrochemical Factory to actively send personnel outside to promote dialogue with the local community as well as its efforts to upgrade the suppression of butadiene emissions.
- 4) Characteristics of the CSR Report
 - The Company aims to make its CSR Report easy for readers to understand by including an Editorial Policy for this report within the Table of Contents
 - Verifying the effectiveness of universal design, the Company endeavors to employ easy-to-read formats and designs that take the reader into account.

Third-Party Comments from an Expert

The UBE Group invited and obtained comments on its CSR report from an expert to provide more objectivity to the report and to identify new CSR challenges. We intend to incorporate comments received into our future CSR reporting and activities.

Anticipating a Proactive Approach to CSR that Is Not Only Consistent, but Upholds UBE's "Corporate Essence"

Junko Nagata

Associate Professor, Graduate School for Creative Cities, Osaka City University

My initial impression was of the clear philosophy and commitment brought by the UBE Group's CSR report in 2008 to the two initiatives: "A progressive approach and stronger stance against global warming" and "development of concepts that enhance social contribution activities." The Group's successful attainment of a 12% reduction in CO₂ emissions ahead of schedule—which is double the volume set by the Kyoto Protocol for emission reductions targets—is the result of comprehensive efforts based on a variety of approaches. Responding to global warming is most certainly a social responsibility that should be undertaken through a company's business. Based on this, I would like to see the UBE Group maintain consistent measures, reflect on how they could make more improvements and demonstrate leadership with environmental management that only the UBE Group can accomplish. Moreover, I believe that it is very difficult for companies to enhance their social contribution activities given the state of the current economic environment. In addition to the Group's CSR tours and other community-based initiatives, I have a keen interest in projects being undertaken to commemorate the 50th anniversary of the UBE Foundation as well as UBE's educational- and cultural-oriented activities. I would also like UBE to continue to focus on the positive meaning behind the "essence" of its CSR from here onward. Although the Group has also attained numerous Responsible Care (RC) Code targets, which I believe is the fruition of its self-evaluation efforts and improvements, UBE must specify measures and responses to be taken during the next year in terms of items that have not yet been reached.

This year's CSR report organizes messages targeted to each specific stakeholder based on the aim to coexist harmoniously with all stakeholders.

I believe that the distribution of information has become more easily achieved, and activities more easily understood. CSR reports function as a means of communication. Rather than making the creation of such reports the final goal, I believe that it is important to find ways to motivate all stakeholders—both inside and outside of the Company—to read CSR reports. Due to this need, a more innovative approach that involves an ongoing effort to organize information from the point of view of readers is required. Accordingly, such an approach will ultimately lead to proactive dissemination of information.

However, perhaps because the CSR activities for each group of stakeholders has become easily identifiable, it seems that the activities geared toward employees—those who are CSR management stakeholders and play an important role—has become somewhat weakened. The phrase "people make companies" is often quoted. Therefore, in addition to explaining the internal systems and mechanism that UBE is developing, it would be nice to see such topics as "work-life balance" touched upon in the President's Message and for the stance on these initiatives be made clearly visible to those outside of the Company.

CSR, which involves finding ways to meet the needs of society through the economic processes of a company's business, is the very definition of management. In conclusion, I would like UBE to focus its efforts on objectives that further deepen its approach to CSR.

Junko Nagata

Specialist in public management (including CSR). Her wide-ranging activities include serving as a member of advisory and study panels of national and local governments as well as delivering lectures at leadership training seminars held by the Kansai Association of Corporate Executives and supporting many corporations as a CSR strategy advisor. Ms. Nagata has served as a special advisor to Toru Hashimoto, governor of Osaka Prefecture, since 2008. Her official website: <http://junko-nagata.com/>



Response to the Third-Party Comments

We very much appreciate the valuable opinions and points provided by Ms. Nagata, all of which merit closer attention. We will closely consider her ideas concerning employee-related initiatives, including work-life balance. In fact, we have taken steps to establish systems pertaining to these issues in recent years. In spite of this, we are aware that more needs to be done in this area based on an examination of the degree to which these systems are being used. Consequently, UBE will steadily implement measures to ensure that these systems take root among employees from here onward. Likewise, we will endeavor to increase transparency through such measures as communicating individual and specific actions related to RC activities taken within UBE.

We have reflected on Ms. Nagata's opinions in relation to our response to global warming and our social contribution activities. In terms of the

former, UBE took steps to bolster its initiatives by establishing a company-wide Global Warming Countermeasures Promotion Office on July 1, 2009. With regard to the latter, we will do our utmost to implement consistent social contribution measures despite the severe economic conditions that we are confronted with.

We will continue to carry out corporate activities based on the ideas provided by Ms. Nagata, while striving to further enhance the UBE Group's CSR reports as a communication tool. Thus, we will continue to seek Ms. Nagata's guidance.

Kazuhiko Okada

Director in Charge of Group CSR, Vice-President and Executive Officer

UBE INDUSTRIES, LTD.

Seavans North Bldg, 1-2-1, Shibaura, Minato-ku, Tokyo

105-8449, Japan

Phone: +81-3-5419-6118

Fax: +81-3-5419-6237

URL: <http://www.ube.co.jp>

Person responsible for editing and publishing this report: Kazuhiko Okada

(Director in Charge of Group CSR, Vice-President and Executive Officer) CSR Department

Wings of
technology
Spirit of
innovation
UBE



The UBE DOG was created in March 1997 as a character for the UBE Group's TV commercials.



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