

Ube Industries, Ltd.
 Contact: Masato Izumihara
 IR/PR Department
 Seavans North Bldg, 1-2-1
 Shibaura, Minato-ku, Tokyo
 Tel: +81 (3) 5419-6110
 Fax: +81 (3) 5419-6230

Consolidated Results for Fiscal 2002

On May 16, 2003, Ube Industries, Ltd. announced its consolidated results for fiscal 2002, the year ended March 31, 2003.

1. Fiscal 2002 overview

Consolidated net sales of Ube Group during fiscal 2002 decreased ¥24,013 million year to year, to ¥513,535 million (US\$4,272 million), owing to such factors as the separation of Ube Cycon, Ltd., from consolidation due to a merger with Mitsubishi Rayon Co., Ltd., to form UMG ABS, Ltd. Operating income was up ¥8,803 million, to ¥26,399 million (US\$220 million); ordinary income increased ¥8,261 million, to ¥16,052 million (US\$133 million); and net income was up ¥7,118 million, to ¥8,120 million (US\$68 million), for this period.

For the years ended March 31, 2003 and 2002

	Millions of Yen		
	FY 2002 (A)	FY 2001 (B)	(A) / (B)x100
Net Sales	¥513,535	¥537,548	95.5%
Operating Income	¥26,399	¥17,596	150.0%
Ordinary Income (Loss)	¥16,052	¥7,791	206.0%
Net Income (Loss)	¥8,120	¥1,002	810.4%

On a non-consolidated basis, net sales of the Company increased ¥2,086 million year to year, to ¥229,272 million (US\$1,907 million); operating income was up ¥6,936 million, to ¥12,148 million (US\$101 million); ordinary income increased ¥1,941 million to ¥6,644 million (US\$55 million); and net income was up ¥148 million, to ¥4,058 million (US\$34 million) for the period under review.

2. Segment Information

Chemicals & Plastics

Consolidated sales for this segment decreased ¥26,686 million year to year, to ¥204,383 million (US\$1,700 million), due to the separation of Ube Cycon, Ltd. from consolidation because of the merger with Mitsubishi Rayon Co., Ltd. Operating income was up ¥5,746 million, to ¥9,326 million (US\$78 million), mainly due to increased shipments of specialty products.

For the years ended March 31, 2003 and 2002

	Millions of Yen		
	FY 2002 (A)	FY 2001 (B)	(A) / (B)x100
Net Sales	¥204,383	¥231,069	88.5%
Operating Income	¥9,326	¥3,580	260.5%

In Polyolefin & Synthetic Rubber, shipments of polyethylene were steady and shipments of polybutadiene were strong especially in export.

In Caprolactam, Nylon & Industrial Chemicals, although market price of caprolactam in Asia recovered due to the improvement of the supply and demand situation, the business was affected by

the increase in raw material price during the second half of the year. Shipments of nylon-6 and nylon-12 were strong as a result of expanded use in films and auto parts but the business was affected by the increased raw material price as well. Shipments of industrial chemicals remained steady as a whole.

In Fine Chemicals & Pharmaceuticals, although shipments of pharmaceutical products were slow, those of fine chemicals were steady.

In Specialty Products, shipments of such products as electrolytes and separators for lithium-ion batteries and polyimide films for use in electronic information equipment were strong. Shipments of high-purity chemicals for semiconductors were steady. The market price of dielectric ceramics for mobile phones remained sluggish despite a recovery in the shipments.

Construction Materials

Consolidated sales for this segment decreased ¥3,405 million year to year, to ¥185,640 million (US\$1,544 million), as a result of lower domestic demand for both cement and construction materials. However, efforts to reduce costs by increasing the utilization of industrial waste as raw materials and fuel in cement production resulted in an increase in operating income of ¥2,057 million, to ¥9,501 million (US\$79 million).

For the years ended March 31, 2003 and 2002

	Millions of Yen		(A) / (B) x 100
	FY 2002 (A)	FY 2001 (B)	
Net Sales	¥185,640	¥189,045	98.2%
Operating Income	¥9,501	¥7,444	127.6%

Machinery & Metal Products

Consolidated sales for this segment increased ¥5,256 million year to year, to ¥95,281 million (US\$793 million). Shipments of large-size injection molding machines and upright roller mills especially to the Chinese market were strong. Although shipments of aluminum wheels in the U.S. were slow, those in Japan were strong. Operating income was up ¥494 million to ¥3,968 million (US\$33 million).

For the years ended March 31, 2003 and 2002

	Millions of Yen		(A) / (B) x 100
	FY 2002 (A)	FY 2001 (B)	
Net Sales	¥95,281	¥90,025	105.8%
Operating Income	¥3,968	¥3,474	160.4%

Energy & Environment

Consolidated sales for this segment increased ¥3,205 million year to year, to ¥19,617 million (US\$163 million). Although market price of coal decreased, increase of sales in environmental businesses contributed. Operating income was up ¥140 million, to ¥1,854 million (US\$15 million).

For the years ended March 31, 2003 and 2002

	Millions of Yen		(A) / (B) x 100
	FY 2002 (A)	FY 2001 (B)	
Net Sales	¥19,617	¥16,412	119.5%
Operating Income	¥1,854	¥1,714	108.2%

Other Businesses

Consolidated sales for other businesses totaled ¥8,614 million (US\$72 million), and operating income was ¥1,699 million (US\$14 million).

For the years ended March 31, 2003 and 2002

	Millions of Yen		
	FY 2002 (A)	FY 2001 (B)	(A) / (B)x100
Net Sales	¥8,614	¥10,997	78.3%
Operating Income	¥1,699	¥1,454	116.9%

3. Outlook for Fiscal 2003

Our performance projections for fiscal 2003 are as follows, assuming that the exchange rate during fiscal 2003 (April 1, 2003, to March 31, 2004) will be ¥120.00 to US\$1, and the price of domestically produced naphtha will be ¥24,500/kl for that period.

We are planning cash dividends for the year to be ¥3 per share.

For the years ended March 31, 2004 and 2003

	Millions of Yen		
	FY 2003 (A)	FY 2002(B)	(A) / (B)x100
Net Sales	¥523,000	¥513,535	101.8%
Operating Income	¥29,000	¥26,399	109.9%
Ordinary Income	¥18,000	¥16,052	112.1%
Net Income	¥10,000	¥8,120	123.2%

Net Sales by Segment:

For the years ended March 31, 2004 and 2003

	Millions of Yen		
	FY 2003 (A)	FY 2002(B)	(A) / (B)x100
Chemicals & Plastics	¥153,000	¥150,504	101.7%
Specialty Chemicals & Products	¥61,000	¥57,345	106.4%
Energy & Environment	¥17,000	¥19,617	86.7%
Construction Materials	¥177,000	¥185,640	95.3%
Machinery & Metal Products	¥111,000	¥95,281	116.5%
Other Businesses	¥4,000	¥5,148	77.7%

Operating Income by Segment:

For the years ended March 31, 2004 and 2003

	Millions of Yen		
	FY 2003 (A)	FY 2002(B)	(A) / (B)x100
Chemicals & Plastics	¥5,400	¥3,808	141.8%
Specialty Chemicals & Products	¥6,800	¥6,098	111.5%
Energy & Environment	¥1,300	¥1,854	70.1%
Construction Materials	¥9,600	¥9,501	101.0%
Machinery & Metal Products	¥5,200	¥3,968	131.0%
Other Businesses	¥800	¥1,115	71.7%

Note 1: The company changed the classification of business segment, from five segments as “Chemicals and Plastics”, “Construction Materials”, “Machinery and Metal Products”, “Energy and

Environment” and “Others” to six segments as “Chemicals and Plastics”, “Specialty Chemicals and Products”, “Energy and Environment”, “Construction Materials”, “Machinery and Metal Products” and “Others”, for fiscal 2003 according to the changes in the Company’s organization. The figures for fiscal 2002 in the above projections are reclassified in accordance with the new business segments for the purpose of comparison.

Note 2: The above projections of future performance are based on information available to the Company at the present time and are subject to potential risks and uncertainties. Accordingly, if the various factors on which our projections are based do not match our assumptions, the actual performance of the Company may differ substantially from our predictions. Such factors include conditions in our major markets, the supply and demand balance for our products, prices of raw materials and fuel, and interest and exchange rates.

4. Financial Condition (Fiscal 2002)

Assets, Liabilities and Stockholders’ Equity

Total assets decreased ¥74,323 million from the previous year-end, to ¥745,890 million (US\$6,254 million), mainly as a result of the sale of investment securities and tangible fixed assets. Total liabilities decreased ¥69,687 million, to ¥633,247 million (US\$5,268 million), due to such factors as a decrease in debts.

Although retained earnings increased ¥8,463 million, stockholders’ equity decreased ¥786 million from the previous year-end, to ¥96,161 million (US\$800 million), mainly due to decrease in unrealized gain on holdings of other marketable securities by ¥7,079 million and deterioration of accumulated foreign currency translation adjustments by ¥2,385 million.

Cash Flows

Net cash provided by operating activities was ¥43,706 million (US\$364 million) principally as a result of ¥18,834 million (US\$157 million) from income before income taxes and minority interest and ¥30,243 million (US\$252 million) from depreciation.

Cash flows from investing activities totaled ¥8,525 million (US\$71 million) as a result of an ¥18,253 million (US\$152 million) inflow from the sale of tangible fixed assets, an ¥18,502 million (US\$154 million) inflow from the sale of investment securities, a ¥5,300 million (US\$44 million) inflow from the sale of investment securities of subsidiaries, and a ¥32,598 million (US\$271 million) outflow on the acquisition of tangible fixed assets.

With regard to financing activities, the reduction of debt by free cash flow resulted in an outflow of ¥48,064 million (US\$400 million).

The balance of debt at the end of the year decreased ¥62,658 million from the end of previous year, to ¥458,370 million (US\$3,813 million).

For the years ended March 31, 2003 and 2002

	Millions of Yen		Millions of
	FY 2002	FY 2001	U.S. dollars
			FY 2002
Cash flows from operating activities	¥43,706	¥36,384	\$ 364
Cash flows from investing activities	¥8,525	¥29,229	\$ 71
Cash flows from financing activities	(¥48,064)	(¥14,390)	(\$400)
Effect of exchange rate changes on cash and cash equivalents	(¥306)	¥917	(\$3)
Net increase (decrease) in cash and cash equivalents	¥3,861	(¥6,318)	\$32
Cash and cash equivalents at beginning of the year	¥45,599	¥45,996	\$379
Effect of changes in consolidated subsidiaries on cash and cash equivalents at beginning of the year	(¥939)	¥5,921	(\$8)
Cash and cash equivalents at end of the year	¥48,521	¥45,599	\$ 404

Trend of Ratios

	FY1999	FY2000	FY2001	FY2002
Equity ratio	10.7%	12.1%	11.8%	12.9%
Equity ratio on fair market value basis	23.1%	25.9%	15.3%	15.2%
Debt redemption period				
Gross debt basis	9.1 years	15.1 years	14.3 years	10.5 years
Net debt basis	8.0 years	13.7 years	13.1 years	9.4 years
Interest coverage ratio	4.5 times	2.6 times	2.9 times	4.3 times

Base for calculation of ratios

Equity ratio: (Stockholders' equity) / (Total assets)

Equity ratio on fair market value basis:

(Fair market value of common stock
issued and outstanding at end of the year) / (Total assets)

Debt redemption period (gross debt basis):

(Debt) / (Cash flows from operating activities)

Debt redemption period (net debt basis):

(Net debt) / (Cash flows from operating activities)

Interest coverage ratio: (Cash flows from operating activities) / (Interest payment)

Note 1: Above ratios are calculated with consolidated financial figures.

Note 2: "Fair market value of common stock issued and outstanding at end of the year" is calculated as follows.

(Closing stock price at end of the year) x (Number of common stock issued and
outstanding excluding own holding)

Attachment:

- Financial Highlights
- Segment Information

Financial Highlights

For the years ended March 31, 2003 and 2002

	Millions of Yen			Millions of
	FY 2002 (A)	FY 2001 (B)	(A) / (B)x100	U.S. dollars
				FY 2002
For the year:				
Net Sales	¥513,535	¥537,548	95.5%	\$4,272
Operating Income	¥26,399	¥17,596	150.0%	\$220
Ordinary Income	¥16,052	¥7,791	206.0%	\$134
Net Income	¥8,120	¥1,002	810.4%	\$68
At the Year-end:				
Total Assets	¥745,890	¥820,213	90.9%	\$6,205
Stockholders' Equity	¥96,161	¥96,947	99.2%	\$800
	Yen			U.S. dollars
Per Share:				
Net Income				
Basic	¥9.61	¥1.20	800.8%	\$0.08
Diluted	¥8.99	-	-	\$0.07
Stockholders' Equity	¥114.55	¥115.78	98.9%	\$0.95

Segment Information

Year ended March 31, 2003 (FY2002)	Millions of Yen						Consolidated
	Chemicals & Plastics	Construction Materials	Machinery & Metal Products	Energy & Environment	Other Businesses	Elimination & Corporate	
Sales	¥204,383	¥185,640	¥95,281	¥19,617	¥8,614	-	¥513,535
Operating Income	¥9,326	¥9,501	¥3,968	¥1,854	¥1,699	¥51	¥26,399
Assets	¥292,053	¥245,429	¥104,091	¥45,845	¥30,574	¥27,898	¥745,890
Depreciation of Fixed Assets	¥12,887	¥9,885	¥5,651	¥1,082	¥738	-	¥30,243
Acquisition of Fixed Assets	¥13,720	¥8,455	¥6,522	¥3,205	¥611	-	¥32,513

Year ended March 31, 2002 (FY2001)	Millions of Yen						Consolidated
	Chemicals & Plastics	Construction Materials	Machinery & Metal Products	Energy & Environment	Other Businesses	Elimination & Corporate	
Sales	¥231,069	¥189,045	¥90,025	¥16,412	¥10,997	-	¥537,548
Operating Income	¥3,580	¥7,444	¥3,474	¥1,714	¥1,454	(¥70)	¥17,596
Assets	¥324,393	¥262,006	¥111,572	¥60,515	¥30,005	¥31,722	¥820,213
Depreciation of Fixed Assets	¥14,234	¥10,261	¥4,616	¥874	¥1,026	-	¥31,011
Acquisition of Fixed Assets	¥15,288	¥8,901	¥12,287	¥10,791	¥1,383	-	¥48,650

Year ended March 31, 2003 (FY2002)	Millions of U.S. dollars						Consolidated
	Chemicals & Plastics	Construction Materials	Machinery & Metal Products	Energy & Environment	Other Businesses	Elimination & Corporate	
Sales	\$1,700	\$1,544	\$793	\$163	\$72	-	\$4,272
Operating Income	\$78	\$79	\$33	\$15	\$14	(\$0)	\$220
Assets	\$2,430	\$2,042	\$866	\$381	\$254	\$232	\$6,205
Depreciation of Fixed Assets	\$107	\$82	\$47	\$9	\$6	-	\$252
Acquisition of Fixed Assets	\$114	\$70	\$54	\$27	\$5	-	\$270

All figures were converted at the rate of ¥120.20=US\$1, the T.T.M. rate on the Tokyo Foreign Exchange Market as of March 31, 2003.