

Ube Industries, Ltd.
 Contact: Satoshi Kunita
 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 the First Half of Fiscal 2002

On November 20, 2002, Ube Industries, Ltd. announced its consolidated results for the first half of fiscal 2002, ended September 30, 2002.

1. Overview

Consolidated net sales of Ube Group during the first half of fiscal 2002 decreased ¥13,973 million from the same period of the previous year, to ¥242,602 million (US\$1,979 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 ¥939 million, to ¥5,391 million (US\$44 million), as a result of increases in shipments of specialty products and the contribution of rationalization measures; ordinary income increased ¥2,762 million, to ¥1,487 million (US\$12 million); and net income was up ¥3,024 million, to ¥2,608 million (US\$21 million), for this period.

For the six months ended September 30, 2002 and 2001

	Millions of Yen		
	FY 2002 (A)	FY 2001 (B)	(A) / (B)x100
Net Sales	¥242,602	¥256,575	94.6%
Operating Income	¥5,391	¥4,452	121.1%
Ordinary Income (Loss)	¥1,487	(¥1,275)	-
Net Income (Loss)	¥2,608	(¥416)	-

On a non-consolidated basis, net sales of the Company decreased ¥337 million from the same period of the previous year to ¥108,233 million (US\$883 million); operating income was up ¥2,268 million, to ¥3,218 million (US\$26 million); ordinary income was ¥1,384 million (US\$11 million); and net income was down ¥978 million, to ¥1,072 million (US\$9 million) for the period under review.

2. Cash Flows

Net cash provided by operating activities was ¥19,481 million (US\$159 million) principally as a result of ¥5,760 million (US\$47 million) in net income and ¥14,597 million (US\$119 million) from depreciation.

Cash flows from investing activities totaled ¥7,862 million (US\$64 million) as a result of a ¥19,016 million (US\$155 million) outflow on the acquisition of tangible fixed assets, an ¥11,246 million (US\$92 million) inflow from the sale of tangible fixed assets, and an ¥18,826 million (US\$154 million) inflow from the sale of investment securities, including those of subsidiaries.

With regard to financing activities, the reduction of debt resulted in an outflow of ¥8,157 million (US\$67 million).

The balance of debt at the end of the period under review decreased ¥22,881 million from the end of fiscal 2001 (March 31, 2002), to ¥498,147 million (US\$4,063 million).

3. Segment Information

Chemicals & Plastics

Consolidated sales for this segment decreased ¥12,622 million from the same period of the previous year, to ¥97,837 million (US\$798 million), due to the separation of Ube Cycon, Ltd. from

consolidation because of the merger with Mitsubishi Rayon Co., Ltd. Operating income was up ¥1,045 million, to ¥1,443 million (US\$12 million), as a result of increased shipments of specialty products and the contribution of cost reduction measures.

For the six months ended September 30, 2002 and 2001

	Millions of Yen		
	FY 2002 (A)	FY 2001 (B)	(A) / (B)x100
Net Sales	¥97,837	¥110,459	88.6%
Operating Income	¥1,443	¥398	362.6%

In Polyolefin & Synthetic Rubber, despite the slow shipments of polyethylene, shipments of polybutadiene were strong.

In Caprolactam, Nylon & Industrial Chemicals, both shipments and market price of caprolactam had been recovering due to the improvement of the supply and demand situation since April 2002. Shipments of nylon-6 were strong as a result of recoveries in the U.S. and Asian economies. The use of nylon-12 in auto parts expanded, contributing to the steady growth of this business. Shipments of industrial chemicals remained relatively steady.

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 recovering. 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 ¥605 million from the same period of the previous year, to ¥90,965 million (US\$742 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 ¥1,042 million, to ¥3,092 million (US\$25 million).

For the six months ended September 30, 2002 and 2001

	Millions of Yen		
	FY 2002 (A)	FY 2001 (B)	(A) / (B)x100
Net Sales	¥90,965	¥91,570	99.3%
Operating Income	¥3,092	¥2,050	150.8%

Machinery & Metal Products

Consolidated sales for this segment increased ¥1,015 million from the same period of the previous year, to ¥41,457 million (US\$338 million), as a result of steady shipments of upright roller mills to the Chinese market in Machinery and strong domestic shipments, despite slow shipments in the U.S., of aluminum wheels in Metal Products. Operating income was down ¥869 million, resulting in an operating loss of ¥612 million (US\$5 million), due to the fixed costs for the new manufacturing plant of aluminum wheel in Canada.

For the six months ended September 30, 2002 and 2001

	Millions of Yen		
	FY 2002 (A)	FY 2001 (B)	(A) / (B)x100
Net Sales	¥41,457	¥40,442	102.5%
Operating Income	(¥612)	¥257	-

Energy & Environment

Consolidated sales for this segment increased ¥216 million, to ¥8,037 million (US\$66 million). However, operating income dropped to ¥708 million (US\$6 million) due to the decrease in the volume of coal in storage.

For the six months ended September 30, 2002 and 2001

	Millions of Yen		
	FY 2002 (A)	FY 2001 (B)	(A) / (B)x100
Net Sales	¥8,037	¥7,821	102.8%
Operating Income	¥708	¥806	87.8%

Other Businesses

Consolidated sales for other businesses totaled ¥4,306 million (US\$35 million), and operating income was ¥849 million (US\$7 million).

For the six months ended September 30, 2002 and 2001

	Millions of Yen		
	FY 2002 (A)	FY 2001 (B)	(A) / (B)x100
Net Sales	¥4,306	¥6,283	68.5%
Operating Income	¥849	¥963	88.2%

4. Outlook for Fiscal 2002

Our performance projections for fiscal 2002 are as follows, assuming that the exchange rate during the remaining half of fiscal 2002 (October 1, 2002, to March 31, 2003) will be ¥115.00 to US\$1, and the price of domestically produced naphtha will be ¥22,200/kl for that period.

We are planning cash dividends for the year to be ¥3 per share at this point of time.

For the years ended March 31, 2003 and 2002

	Millions of Yen		
	FY 2002 (A)	FY 2001(B)	(A) / (B)x100
Net Sales	¥510,000	¥537,548	94.9%
Operating Income	¥24,000	¥17,596	136.4%
Ordinary Income	¥14,000	¥7,791	179.7%
Net Income	¥8,000	¥1,002	798.4%

Net Sales by Segment:

For the years ended March 31, 2003 and 2002

	Millions of Yen		
	FY 2002 (A)	FY 2001(B)	(A) / (B)x100
Chemicals & Plastics	¥205,000	¥231,069	88.7%
Construction Materials	¥180,000	¥189,045	95.2%
Machinery & Metal Products	¥98,000	¥90,025	108.9%
Energy & Environment	¥19,000	¥16,412	115.8%
Other Businesses	¥8,000	¥10,997	72.7%

Operating Income by Segment:

For the years ended March 31, 2003 and 2002

	Millions of Yen		(A) / (B)x100
	FY 2002 (A)	FY 2001(B)	
Chemicals & Plastics	¥9,200	¥3,580	257.0%
Construction Materials	¥8,500	¥7,444	114.2%
Machinery & Metal Products	¥3,500	¥3,474	100.7%
Energy & Environment	¥1,600	¥1,714	93.3%
Other Businesses	¥1,200	¥1,454	82.5%

Note: 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.

Attachment:

- Financial Highlights
- Segment Information
- Cash Flows

Financial Highlights

For the six months ended September 30, 2002 and 2001

	Millions of Yen			Millions of U.S. dollars
	FY 2002 (A)	FY 2001 (B)	(A) / (B)x100	FY 2002
For the six months:				
Net Sales	¥242,602	¥256,575	94.6%	\$ 1,979
Operating Income	¥5,391	¥4,452	121.1%	\$44
Ordinary Income (Loss)	¥1,487	(¥1,275)	-	\$12
Net Income (Loss)	¥2,608	(¥416)	-	\$21
As of September 30:				
Total Assets	¥770,915	¥813,467	94.8%	\$ 6,288
Shareholders' Equity	¥91,402	¥90,665	100.8%	\$ 746

Segment Information

For the six months ended September 30, 2002	Millions of Yen						Consolidated
	Chemicals & Plastics	Construction Materials	Machinery & Metal Products	Energy & Environment	Other Businesses	Elimination & Corporate	
Sales	¥97,837	¥90,965	¥41,457	¥8,037	¥4,306	-	¥242,602
Operating Income	¥1,443	¥3,092	(¥612)	¥708	¥849	(¥89)	¥5,391

For the six months ended September 30, 2001	Millions of Yen						Consolidated
	Chemicals & Plastics	Construction Materials	Machinery & Metal Products	Energy & Environment	Other Businesses	Elimination & Corporate	
Sales	¥110,459	¥91,570	¥40,442	¥7,821	¥6,283	-	¥256,575
Operating Income	¥398	¥2,050	¥257	¥806	¥963	(¥22)	¥4,452

For the six months ended September 30, 2002	Millions of U.S. dollars						Consolidated
	Chemicals & Plastics	Construction Materials	Machinery & Metal Products	Energy & Environment	Other Businesses	Elimination & Corporate	
Sales	\$798	\$742	\$338	\$66	\$35	-	\$1,979
Operating Income	\$12	\$25	(\$5)	\$6	\$7	(\$1)	\$44

Cash Flows

For the six months ended September 30, 2002 and 2001

	Millions of Yen		Millions of U.S. dollars
	FY 2002	FY 2001	FY 2002
Cash flows from operating activities	¥19,481	¥12,943	\$ 159
Cash flows from investing activities	¥7,862	(¥16,586)	\$64
Cash flows from financing activities	(¥8,157)	(¥7,790)	(\$67)
Effect of exchange rate changes on cash and cash equivalents	(¥267)	¥139	(\$2)
Net decrease in cash and cash equivalents	¥18,919	(¥11,294)	\$154
Cash and cash equivalents at beginning of period	¥45,599	¥45,996	\$372
Effect of changes in consolidated subsidiaries on cash and cash equivalents	(¥959)	¥5,801	(\$8)
Cash and cash equivalents at end of period	¥63,559	¥40,503	\$ 518

All figures were converted at the rate of ¥122.60=US\$1, the T.T.M. rate on the Tokyo Foreign Exchange Market as of September 30, 2002.