

Ube Industries, Ltd.
 Contact: Masao 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 the First Half of Fiscal 2003

1. Overview

Regardless of the strong shipment with respect to specialty products, consolidated net sales of the Ube Group during the first half of fiscal 2003 decreased ¥309 million from the same period of the previous year, to ¥242,293 million (US\$2,178 million), owing to the further decline in domestic demand for cement and other factors. Operating income was down ¥217 million, to ¥5,174 million (US\$47 million); ordinary income was up ¥79 million, to ¥1,566 million (US\$14 million); net income was down ¥1,989 million, to ¥619 million (US\$6 million), for this period.

For the six months ended September 30, 2003 and 2002

	Millions of Yen		
	FY2003(A)	FY2002(B)	(A) / (B) × 100
Net Sales	¥242,293	¥242,602	99.9%
Operating Income	¥5,174	¥5,391	96.0%
Ordinary Income	¥1,566	¥1,487	105.3%
Net Income	¥619	¥2,608	23.7%

On a non-consolidated basis, net sales of the Company decreased ¥90 million from the same period of the previous year to ¥108,143 million (US\$972 million); operating income was up ¥812 million, to ¥4,030 million (US\$36 million); ordinary income was up ¥922 million, to ¥2,306 million (US\$21 million); and net income was down ¥340 million, to ¥732 million (US\$7 million) for the period under review.

2. Cash Flows

Net cash provided by operating activities was ¥12,747 million (US\$115 million) of inflow, principally as a result of ¥2,085 million (US\$19 million) in net income and ¥14,546 million (US\$131 million) from depreciation.

Cash flows from investing activities totaled ¥4,295 million (US\$39 million) of outflow, as a result of a ¥5,971 million (US\$144 million) outflow on the acquisition of fixed assets, a ¥9,358 million (US\$84 million) inflow from the sale of tangible fixed assets.

With regard to financing activities, the reduction of debt resulted in an outflow of ¥26,920 million (US\$242 million).

The balance of debt at the end of the period under review decreased ¥23,263 million from the end of fiscal 2002 (March 31, 2003), to ¥435,107 million (US\$3,911 million).

3. Segment Information

From fiscal 2003, we changed our segmentation from "Chemicals & Plastics," "Construction Materials," "Machinery & Metal Products," "Energy & Environment," and "Others" to "Chemicals & Plastics," "Specialty Chemicals & Products," "Energy & Environment," "Construction Materials," "Machinery & Metal Products," and "Others," in accordance with the structural reorganization. Since our managerial accounting rules was also revised based on this new organization, the operating income based on the previous managerial accounting rules is provided with double underline, and the comparison with the same period of the previous year is based on our previous segmentation.

Chemicals & Plastics

Consolidated sales for this segment increased ¥3,518 million from the same period of the previous year, to ¥74,480million (US\$669 million), and operating income was down ¥123 million, resulting in an operating loss of ¥1,629 million (US\$15 million).

While polyethylene shipments remained in the similar level to the same period of the previous year, the polybutadiene shipments were strong, mainly for the use in the domestic tire industry.

Caprolactam shipments remained at almost the same level as during the first six months of the previous year, and the market price had been recovering due to an improvement in the supply and demand balance; however, there was an escalation in the price of raw materials. Nylon-6 shipments were steady, and the application development of nylon-12 for use in auto parts is progressing. Shipments of industrial chemicals were weak as a whole.

For the six months ended September 30, 2003 and 2002

	Millions of Yen			(A) / (B) × 100
	FY2003(A)	FY2002(B)		
Net Sales	¥74,480	¥70,962		105.0%
Operating Income(Loss)	¥1,629	<u>¥1,165</u>	<u>(¥1,042)</u>	<u>(111.8%)</u>

Specialty Chemicals & Products

Consolidated sales for this segment decreased ¥1,073 million from the same period of the previous year, to ¥27,503 million (US\$247 million), and operating income increased ¥107 million (US\$1 million), to ¥2,528 million(US\$23 million).

Shipments of products such as electrolytes and separators for lithium-ion batteries and polyimide -based dual-layer CCL (Copper-Clad Laminates) were strong. While the steady shipments of high-purity chemicals for semiconductors, the shipments of dielectric ceramics for mobile phones were sluggish.

Although shipments of fine chemical products were steady as a whole, those of pharmaceuticals were slow.

For the six months ended September 30,2003 and 2002

	Millions of Yen			
	Y2003(A)		FY2002(B)	(A) / (B) × 100
Net Sales	¥27,503		¥28,576	96.2%
Operating Income	¥2,528	<u>¥2,782</u>	<u>¥2,675</u>	<u>104.0%</u>

Energy & Environment

Consolidated sales for this segment amounted to ¥8,131 million (US\$73 million) and operating income was ¥604 million (US\$5 million). In the coal business, the volume of coal storage for thermal power plants increased.

For the six months ended September 30, 2003 and 2002

	Millions of Yen			
	FY2003(A)		FY2002(B)	(A) / (B) × 100
Net Sales	¥8,131		¥8,037	101.1%
Operating Income	¥604	<u>¥721</u>	<u>¥708</u>	<u>101.8%</u>

Construction Materials

Consolidated sales for this segment decreased ¥6,874 million from the same period of the previous year, to ¥84,091 million (US\$756 million), and operating income increased ¥203 million, to ¥3,807 million (US\$34 million). Despite the continuous decline in domestic demand of cement, we tried to achieve cost reduction by increasing the recycling of industrial waste as raw material and fuel in order.

For the six months ended September 30, 2003 and 2002

	Millions of Yen			
	FY2003(A)		FY2002(B)	(A) / (B) × 100
Net Sales	¥84,091		¥90,965	92.4%
Operating Income	¥3,807	<u>¥3,295</u>	<u>¥3,092</u>	<u>106.6%</u>

Machinery & Metal Products

Consolidated sales for this segment increased ¥4,215 million from the same period of the previous year, to ¥45,672 million (US\$411 million), and operating income was down ¥277 million, resulting in an operating loss of ¥566 million (US\$5 million).

In the machinery business, shipments of large injection molding machines to the Chinese and U.S. markets were strong. The receipt of orders for as large die-cast machines for the automotive industry, injection molding machines, and vertical mills for the Chinese market increased.

Shipments in the aluminum wheel business were strong, including Canada where the business had just started in full scale; however, temporary decrease in productivity due to model change and the strong Canadian dollar affected the business there.

For the six months ended September 30, 2003 and 2002

	Millions of Yen		
	FY2003(A)	FY2002(B)	(A) / (B) × 100
Net Sales	¥45,672	¥41,457	110.2%
Operating Income(Loss)	¥566 <u>¥889</u>	<u>¥612</u>	<u>(145.3%)</u>

Other Businesses

Consolidated sales for other businesses totaled ¥2,416 million (US\$22 million), and operating income was ¥11 million (US\$5 million).

For the six months ended September 30, 2003 and 2002

	Millions of Yen		
	FY2003(A)	FY2002(B)	(A) / (B) × 100
Net Sales	¥2,416	¥2,605	92.7%
Operating Income	¥511 <u>¥511</u>	<u>¥657</u>	<u>77.8%</u>

4. Outlook for Fiscal 2003

The favorable growth of export mainly to Asian countries is expected to push the recovery of domestic demand driven by capital investments. However, factors such as prolonged deflationary trends, rising interest rates, and the strong yen make the business environment difficult to forecast. We assume that the exchange rate will be ¥110 to US\$ and the price of domestically produced naphtha will be ¥23,000/kl during the remaining half of fiscal 2003 (October 1, 2003 to March 31, 2004).

At this point of time, we plan cash dividends for the year to be ¥3 per share.

For the years ended March 31, 2004 and 2003

	Millions of Yen		
	FY2003(A)	FY2002(B)	(A) / (B) × 100
Net Sales	¥517,000	¥513,535	100.7%
Operating Income	¥25,000	¥26,399	94.7%
Ordinary Income	¥17,000	¥16,052	105.9%
Net Income	¥9,000	¥8,120	110.8%

Net Sales by Segment:

For the years ended March 31, 2004 and 2003

	Millions of Yen		
	FY2003(A)	FY2002(B)	(A) / (B) × 100
Chemicals&Plastics	¥152,000	¥150,504	101.0%
Specialty Chemicals&Products	¥66,500	¥57,345	116.0%
Energy&Environment	¥17,000	¥19,617	86.7%

Construction Materials	¥173,000	¥185,640	93.2%
Machinery&Metal Products	¥104,500	¥95,281	109.7%
Other Businesses	¥4,000	¥5,148	77.7%

Operating Income by Segment:

For the years ended March 31, 2004 and 2003

	Millions of Yen			(A) / (B) × 100
	FY2003(A)		FY2002(B)	
Chemicals&Plastics	¥4,000	<u>¥4,900</u>	<u>¥3,808</u>	<u>128.7%</u>
Specialty Chemicals&Products	¥6,800	<u>¥7,300</u>	<u>¥6,098</u>	<u>119.7%</u>
Energy&Environment	¥15,000	<u>¥1,700</u>	<u>¥1,854</u>	<u>91.6%</u>
Construction Materials	¥9,900	<u>¥8,900</u>	<u>¥9,501</u>	<u>93.7%</u>
Machinery&Metal Products	¥1,800	<u>¥1,200</u>	<u>¥3,960</u>	<u>30.3%</u>
Other Businesses	¥1,000	<u>¥1,000</u>	<u>¥1,115</u>	<u>89.7%</u>

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 Flow

Financial Highlights

For the six months ended September 30, 2003 and 2002

	Millions of Yen		(A) / (B)x100	Millions of
	FY 2003 (A)	FY 2002 (B)		U.S. dollars
For the six months:				FY 2003
Net Sales	¥242,293	¥242,602	99.9%	\$1,979
Operating Income	¥5,174	¥5,391	96.0%	\$44
Ordinary Income	¥1,566	¥1,487	105.3%	\$12
Net Income	¥610	¥2,608	23.7%	\$21
As of September 30:				
Total Assets	¥709,473	¥770,915	92.0%	\$6,288
Shareholders' Equity	¥98,300	¥91,402	107.5%	\$746

Segment Information

For the six months ended September 30,	Millions of Yen							Consolidated
	Chemicals & Specialty Plastics	Specialty Chemicals &	Energy & Environment	Construction Materials	Machinery & Metal Products	Other Businesses	Elimination & Corporate	
Sales	¥74,480	¥84,091	¥8,131	¥84,091	¥45,672	¥2,416	-	¥242,293
Operating Income(Loss)	(¥1,629)	¥3,807	¥604	¥3,807	(¥566)	¥511	(¥81)	¥5,174

For the six months ended September 30,	Chemicals & Specialty Plastics	Specialty Chemicals &	Energy & Environment	Construction Materials	Machinery & Metal Products	Other Businesses	Elimination & Corporate	Consolidated
Sales	¥70,962	¥28,576	¥8,037	¥90,965	¥41,457	¥2,605	-	¥242,602
Operating Income(Loss)	(¥1,042)	¥2,675	¥708	¥3,092	(¥612)	¥657	(¥87)	¥5,391

For the six months ended September 30,	Millions of U.S. dollars							Consolidated
	Chemicals & Specialty Plastics	Specialty Chemicals &	Energy & Environment	Construction Materials	Machinery & Metal Products	Other Businesses	Elimination & Corporate	
Sales	\$669	\$247	\$73	\$759	\$411	\$22	-	\$2,178
Operating Income(Loss)	(\$15)	\$6	\$5	\$34	(\$5)	\$5	(\$1)	\$47

Cash Flows

For the six months ended September 30, 2003 and 2002

	Millions of Yen		Millions of
	FY 2003	FY 2002	U.S. dollars
Cash flows from operating activities	¥12,747	¥19,481	\$115
Cash flows from investing activities	(¥4,295)	¥7,862	(\$39)
Cash flows from financing activities	(¥26,920)	(¥8,157)	(\$242)
Effect of exchange rate changes on cash and cash equivalents	¥66	(¥267)	\$1
Net increase(decrease) in cash and cash equivalents	(¥18,402)	¥18,919	(\$165)
Cash and cash equivalents at beginning of period	¥48,521	¥45,599	\$436
Effect of changes in consolidated subsidiaries on cash and cash equivalent	¥53	(¥959)	\$1
Cash and cash equivalents at end of period	¥30,172	¥63,559	\$271

All figures were converted at the rate of ¥111.25=US\$1, the T.T.M. rate on the Tokyo Foreign Exchange Market as of September 30, 2003.