

November 10, 2006

Summary of Consolidated Financial Report for the First Half of the Fiscal Year Ending March 31, 2007

Ube Industries, Ltd.

**Consolidated Business Results for the First Half of the Fiscal Year Ending March 31, 2007
(April 1 to September 30, 2006)**

1. Consolidated Companies

Fiscal period	Current first half ended September 30, 2006	Previous fiscal year ended March 31, 2006	Increase (decrease)
Number of companies			
Consolidated companies	69	66	3
Companies using equity method accounting	35	35	0
Total	104	101	3

2. Consolidated Results for the First Half Ended September 30, 2006

(1) Results of Operations

(Billions of yen - rounded down, except where noted)

	Current first half ended September 30, 2006	Previous first half ended September 30, 2005	Increase (decrease)
Net sales	310.6	280.7	29.9
Operating income	17.8	17.4	0.4
Net interest expense	-2.9	-2.4	-0.4
Equity in income of affiliates	0.5	0.4	0.1
Other non-operating income	1.2	-1.0	2.3*
Ordinary income	16.8	14.3	2.4
Extraordinary income	0.5	0.3	0.1
Extraordinary losses	-6.0**	-5.0	-1.0
Net income / loss	8.9	6.0	2.8

Net income per share	8.86 yen	6.41 yen	2.45 yen
----------------------	----------	----------	----------

Exchange rate (yen per US\$)	115.4	109.5	5.9
Naphtha price (yen/kl)	51,300	38,000	13,300
Australian coal price (yen/ton)	8,540	8,377	163

* Currency gains: 2.8 billion yen

** Details of extraordinary losses (6.0 billion yen) for the current first half (ended September 30, 2006)

Loss on business restructuring: -3.1 billion yen

Loss on valuation of inventory: -1.4 billion yen

Other losses: -1.4 billion yen

Net Sales by Segment

(Billions of yen - rounded down)

	Current first half ended September 30, 2006	Previous first half ended September 30, 2005	Increase (decrease)	Comments
Chemicals & plastics	98.3	83.2	15.1	Increase in sales volume of caprolactam, synthetic rubber and polyamide resin, etc.
Specialty chemicals & products	42.8	42.7	0.0	
Cement & construction materials	99.6	93.0	6.5	Increase in sales volume of ready-mix concrete Increase in sales of quicklime related products, etc.
Machinery & metal products	53.8	45.4	8.4	Increase in sales of molding machines and industrial machinery, etc.
Energy & environment	14.0	14.4	-0.3	
Other	1.9	1.8	0.0	
Total	310.6	280.7	29.9	

Operating Income by Segment:

(Billions of yen - rounded down)

	Current first half ended September 30, 2006	Previous first half ended September 30, 2005	Increase (decrease)	Comments
Chemicals & plastics	4.7	6.3	-1.5	Narrowing of spread between raw materials and product prices, etc.
Specialty chemicals & products	5.0	4.7	0.2	Increase in sales volume of specialty products Decrease in sales volume of pharmaceutical bulk compounds and intermediates, etc.
Cement & construction materials	3.8	3.9	-0.1	Rise in price of fuel Increase in use of waste (for cost reduction) Increase in sales of quicklime related products, etc.
Machinery & metal products	2.6	1.3	1.3	Increase in sales of molding machines and industrial machinery Rise of Canadian dollar for North American aluminum wheel operations Rise in purchase price of aluminum for aluminum wheel operations in Japan, etc.
Energy & environment	1.1	0.9	0.2	Increase in volume of coal storage by contract, etc.
Other	0.3	0.2	0.1	
Total	17.8	17.4	0.4	

(2) Financial Condition

(Billions of yen - rounded down)

Assets	At end of current first half (as of September 30, 2006)	At end of previous fiscal year (as of March 31, 2006)	Increase (decrease)
Cash and cash equivalents	21.2	20.6	0.6
Receivables	150.5	147.8	2.7
Inventories	84.3	81.4	2.9
Property, plant and equipment	358.8	357.5	1.2
Intangible fixed assets	4.3	4.8	-0.4
Investment securities	49.6	52.4	-2.8
Deferred tax assets	14.3	11.4	2.8
Other assets	25.2	24.2	0.9
Total assets	708.5	700.4	8.1

Liabilities and Net assets	At end of current first half (as of September 30, 2006)	At end of previous fiscal year (as of March 31, 2006)	Increase (decrease)
Notes and accounts payable-trade	101.8	97.0	4.7
Interest-bearing liabilities	333.7	341.9	-8.1
Other liabilities	95.4	93.0	2.4
Minority interests	-	18.6	-18.6
Net assets	177.4	149.7	27.7
Stockholders' equity	144.8	139.0	5.8
Valuation and currency conversion differences	11.4	10.6	0.8
Minority interests	21.1	-	21.1
Total liabilities and Net assets	708.5	700.4	8.1

(3) Cash Flows

(Billions of yen - rounded down)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities		Cash and cash equivalents at end of period	
			Interest-bearing liabilities	Other		
Current first half ended September 30, 2006	23.0*	-11.2**	-12.1	(-8.7)	(-3.3)	20.7
(Ref.) Previous first half ended September 30, 2005	25.4	-10.1	-27.6	(-25.8)	(-1.8)	21.3

* Pre-tax midterm net income: 11.2 billion yen
Depreciation and amortization: 14.9 billion yen, etc.

** Tangible / intangible fixed asset acquisition: -14.1 billion yen
Proceeds from sale of securities: 2.9 billion yen, etc.

**3. Consolidated Earnings Forecast for the Year Ending March 31, 2007
(April 1, 2006 to March 31, 2007)**

No change to earnings forecast previously announced on May 11, 2006.

(Billions of yen - rounded down, except where noted)

	Current fiscal year ending March 31, 2007	Previous fiscal year ended March 31, 2006	Increase (decrease)
Net sales	615.0	595.3	19.7
Operating income	41.0	42.1	-1.1
Ordinary income	32.0	33.2	-1.2
Net income	18.0	16.0	2.0
Net income per share	17.89 yen	16.83 yen	1.06 yen

(Reference) Consolidated Key Indicators

(Billions of yen – except where noted)

	Current fiscal year ending March 31, 2007 (forecast)	Current first half ended September 30, 2006	Previous first half ended September 30, 2005	Previous fiscal year ended March 31, 2006
Capital investment	31.0	14.1	9.1	24.7
Depreciation and amortization	31.0	14.9	15.0	30.8
Research and development expenses	12.8	6.2	5.8	12.4
Adjusted operating income *	42.7	19.2	19.2	44.9
Interest-bearing liabilities	326.0	333.7	374.1	341.9
Net interest-bearing liabilities **	306.0	312.9	352.8	321.8
Stockholders' equity***	163.0	156.3	114.0	149.7
Total assets	700.0	708.5	689.0	700.4
Net D/E ratio (times)	1.9	2.0	3.1	2.1
Ratio of operating income to net sales (%)	6.7	5.7	6.2	7.1
Return on assets - ROA (%) ****	6.1	5.5	5.5	6.4
Number of employees	10,940	10,941	11,055	10,673

* Adjusted operating income: Operating income + interest and dividend income + equity in profit of unconsolidated subsidiaries and affiliated companies

** Net Interest-bearing liabilities: Interest-bearing liabilities – cash and cash equivalents

*** Stockholders' equity: Net assets – minority interest

**** ROA: Adjusted operating income / total assets