

Financial Results for the First Half FY 2008

November 6, 2008

UBE INDUSTRIES, LTD.

Contents

- FY08 First Half Consolidated Results
- FY08 Consolidated Forecasts
- Appendix

**※This “2nd Quarter (2Q)” data states information for 6 month totals
(April 1, 2008 – September 30, 2008)**

FY08 First Half Consolidated Results

Scope of Consolidation

— Financial Results for the First Half FY08 —

Item	End of Mar. 2008 (A)	End of Sep. 2008 (B)	Change (B) - (A)	Notes
Number of consolidated subsidiaries	67	67	0	Newly Included - None Newly Excluded - None
Number of equity method affiliates	28	28	0	Newly Included - None Newly Excluded - None
Total	95	95	0	

Major P/L & B/S Items

— Financial Results for the First Half FY08 —

(Billion Yen)

Item	FY07 2Q (A)	FY08 2Q (B)	Change (B) - (A)
Sales	335.0	372.1	37.0
Operating income	22.2	27.1	4.8
Ordinary income	18.6	23.5	4.8
Net income	7.8	14.4	6.6
Item	End of Mar. 2008 (A)	End of Sep. 2008 (B)	Change (B) - (A)
Total assets	720.8	727.7	6.8
Debt	300.7	292.7	-8.0
Net debt	275.6	265.7	-9.9
Equity capital * 1	193.8	191.4	-2.3

* 1: Equity capital = Net assets — Share subscription rights — Minority interests

Non Operating Items

— Financial Results for the First Half FY08 —

(Billion Yen)

Item		FY07 2Q (A)	FY08 2Q (B)	Change (B) - (A)
Operating income		22.2	27.1	4.8
Non Operating Items	Net interest expense	-2.9	-2.3	0.6
	Equity in earnings of unconsolidated subsidiaries and affiliated companies	0.3	0.2	-0.1
	Gain(loss) on foreign currency exchange	0.5	0.0	-0.5
	Others	-1.4	-1.4	0.0
	Total	-3.5	-3.5	0.0
Ordinary income		18.6	23.5	4.8

Extraordinary Items

— Financial Results for the First Half FY08 —

(Billion Yen)

Item		FY07 2Q (A)	FY08 2Q (B)	Change (B) - (A)
	Gain on sale of PP&E	0.3	0.0	-0.3
	Other (Gain on share change balance, etc.)	0.3	0.3	0.0
	Extraordinary income	0.7	0.3	-0.3
	Loss on disposal of PP&E	-0.8	-0.3	0.4
	Loss on valuation of inventories	0.0	-0.1	-0.1
	Loss on impairment	-3.0	0.0	3.0
	Others (Loss on sale of inv. securities, etc.)	-0.4	-0.1	0.2
	Extraordinary loss	-4.3	-0.7	3.6
	Net extraordinary income/loss	-3.6	-0.3	3.3

Operating Income – Net Income

– Financial Results for the First Half FY08 –

(Billion Yen)

Item	FY07 2Q (A)	FY08 2Q (B)	Change (B) - (A)
Operating income	22.2	27.1	4.8
Non operating item	-3.5	-3.5	0.0
Ordinary income	18.6	23.5	4.8
Extraordinary item	-3.6	-0.3	3.3
Income before income tax and minority interest	14.9	23.1	8.2
Income tax and minority interest	-7.1	-8.7	-1.5
Net income	7.8	14.4	6.6
Net income per share(Yen/Share)	7.75 yen	14.36 yen	6.61 yen

Environmental Factors

— Financial Results for the First Half FY08 —

(Billion Yen)

Item			FY07 2Q (A)	FY08 2Q (B)	Change (B) - (A)	Impacts on Consolidated OP Income
Exchange Rate		Yen/\$	119.3	106.1	-13.2	0.8
Material Price	(CIF) Naphtha (Domestic)	\$/t	683	1,039	356	-3.6
		Yen/KL	58,700	78,400	19,700	(-2.4)
	Benzene(Average of US and Euro Contract Price)	\$/t	1,110	1,198	88	-2.1 (1.4)
	Australian Coal (CIF)	\$/t	82.5	170.5	88.0	-7.4
		Yen/t	9,842	18,090	8,248	(-5.8)

():including impacts on fluctuation of exchange rate

Sales by Segment

— Financial Results for the First Half FY08 —

(Billion Yen)

Segment	FY07 2Q (A)	FY08 2Q (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	112.7	127.3	14.5	Caprolactam chain 11.3 Synthetic rubber 3.0
Specialty Chemicals & Products	45.6	48.4	2.8	Fine chemicals and Pharmaceuticals 1.2 Specialty products 1.0
Cement & Construction Materials	99.7	105.5	5.8	Cement and Ready-mixed concrete 1.4 Quicklime related products 4.1
Machinery & Metal Products	54.2	59.6	5.3	Machinery 6.9 Aluminum wheels -1.5
Energy & Environment	20.7	29.3	8.5	Coal 8.2
Others	1.8	1.8	0.0	
Total	335.0	372.1	37.0	Increased by 11.1%

Operating Income by Segment

— Financial Results for the First Half FY08 —

(Billion Yen)

Segment	FY07 2Q (A)	FY08 2Q (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	6.9	10.7	3.8	Caprolactam chain 3.0 Synthetic rubber 0.7
Specialty Chemicals & Products	6.2	5.8	-0.3	Specialty products -0.6 Fine chemicals and Pharmaceuticals 0.4
Cement & Construction Materials	4.2	3.8	-0.3	Cement and Ready-mixed concrete -0.3
Machinery & Metal Products	2.7	2.3	-0.3	Aluminum wheels -0.2 Machinery -0.1
Energy & Environment	1.8	4.2	2.4	Coal 2.1
Others	0.3	0.3	0.0	
Total	22.2	27.1	4.8	Increased by 22. 0%

Analysis of Operating Income

— Financial Results for the First Half FY08 —

(Billion Yen)

Segment	Operating Income							
	FY07 2Q (A)	FY08 2Q (B)	Change (B) - (A)	Price *1	Sales Volume	Fixed Cost	Change in Regulation	Others
Chemicals & Plastics	6.9	10.7	3.8	2.9	1.7	-0.1	-0.7	*2 -0.1
Specialty Chemicals & Products	6.2	5.8	-0.3	-1.4	2.6	-1.4	-0.2	0.1
Cement & Construction Materials	4.2	3.8	-0.3	0.5	-0.6	0.1	-0.5	0.1
Machinery & Metal Products	2.7	2.3	-0.3	-0.8	0.2	-0.4	-0.1	*3 0.8
Energy & Environment	1.8	4.2	2.4	2.8	0.3	-0.2	-0.1	-0.4
Others	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Total	22.2	27.1	4.8	3.9	4.1	-2.0	-1.5	0.4

* 1 : Including both selling and purchase price variance

* 2 : Effect of exchanges conversion -1.0 inventory valuation changes 1.3

* 3 : Marginal profit on machinery products 0.1

Sales Progress by Segment

— Financial Results for the First Half FY08 —

(Billion Yen)

Segment	FY07			FY08			Change (B) - (A)
	Full Year	2Q	Progress (A)	Full Year Forecasts	2Q	Progress (B)	
Chemicals & Plastics	233.2	112.7	48.3%	246.5	127.3	51.6%	3.3%
Specialty Chemicals & Products	93.5	45.6	48.8%	105.8	48.4	45.7%	-3.1%
Cement & Construction Materials	207.0	99.7	48.2%	225.0	105.5	46.9%	-1.3%
Machinery & Metal Products	120.3	54.2	45.1%	120.0	59.6	49.7%	4.6%
Energy & Environment	46.4	20.7	44.6%	68.0	29.3	43.1%	-1.5%
Others	3.6	1.8	50.0%	3.7	1.8	48.6%	-1.4%
Total	704.2	335.0	47.6%	769.0	372.1	48.4%	0.8%

Operating Income Progress by Segment

— Financial Results for the First Half FY08 —

(Billion Yen)

Segment	FY07			FY08			Change (B) - (A)
	Full Year	2Q	Progress (A)	Full Year Forecasts	2Q	Progress (B)	
Chemicals & Plastics	18.6	6.9	37.1%	15.6	10.7	68.6%	31.5%
Specialty Chemicals & Products	14.1	6.2	44.0%	14.1	5.8	41.1%	-2.9%
Cement & Construction Materials	10.8	4.2	38.9%	10.0	3.8	38.0%	-0.9%
Machinery & Metal Products	6.6	2.7	40.9%	5.1	2.3	45.1%	4.2%
Energy & Environment	4.6	1.8	39.1%	7.4	4.2	56.8%	17.7%
Others	0.8	0.3	37.5%	0.8	0.3	37.5%	0.0%
Total	55.9	22.2	39.7%	53.0	27.1	51.1%	11.4%

(Reference) Financial Results for the First Half FY08

— Net Sales (Comparisons for forecasts at the beginning of the period, by segment) —

(Billion Yen)

Segment	Forecasts at the beginning of the period (A)	Actual (B)	Change (B) - (A)	Major Factors
	5/9/08 Publication			
Chemicals & Plastics	125.0	127.3	2.3	Caprolactam chain 0.8 Synthetic rubber 1.9
Specialty Chemicals & Products	49.5	48.4	-1.1	Specialty products -2.3 Fine chemicals and Pharmaceuticals 1.2
Cement & Construction Materials	106.0	105.5	-0.5	Cement and Ready-mixed concrete -0.9
Machinery & Metal Products	58.0	59.6	1.6	Machinery 2.9 Aluminum wheels -1.3
Energy & Environment	27.8	29.3	1.5	Coal 1.6
Others	1.7	1.8	0.1	
Total	368.0	372.1	4.1	Increased by 1.1%

(Reference) Financial Results for the First Half FY08

— Operating Income (Comparisons for forecasts at the beginning of the period, by segment) —

(Billion Yen)

Segment	Forecasts at the beginning of the period (A)	Actual (B)	Change (B) - (A)	Major Factors
	5/9/08 Publication			
Chemicals & Plastics	6.7	10.7	4.0	Caprolactam chain 3.2 Synthetic rubber 0.8
Specialty Chemicals & Products	6.0	5.8	-0.2	Specialty products -1.2 Fine chemicals and Pharmaceuticals 1.0
Cement & Construction Materials	3.9	3.8	-0.1	Construction materials related products -0.1
Machinery & Metal Products	2.4	2.3	-0.1	Aluminum wheels -0.5 Machinery 0.4
Energy & Environment	1.8	4.2	2.4	Coal 2.0
Others	0.2	0.3	0.1	
Total	21.0	27.1	6.1	Increased by 29. 0%

Consolidated Balance Sheet

— Financial Results for the First Half FY08 —

(Billion Yen)

Item	End of Mar. 2008 (A)	End of Sep. 2008 (B)	Change (B) - (A)
Current assets	297.8	321.4	23.5
Fixed assets	422.9	406.2	-16.7
Total assets	720.8	727.7	6.8
Interest-bearing debts	300.7	292.7	-8.0
Other liabilities	201.1	220.1	19.0
Total liabilities	501.8	512.9	11.0
Equity capital *1	193.8	191.4	-2.3
Minority interests	25.1	23.3	-1.8
Total net assets	219.0	214.8	-4.1
Total liabilities and net assets	720.8	727.7	6.8

* 1: Equity capital = Net assets — Share subscription rights — Minority interests

Consolidated Statements of Cash Flows

— Financial Results for the First Half FY08 —

(Billion Yen)

Item	FY08 2Q	
A.Cash flows from operating activities	32.1	Income before tax and minority interests 23.1 Depreciation and amortization 17.4 Working capital -11.0
B.Cash flows from investing activities	-17.5	Acquisition of PP&E -17.4
Free cash flows (A + B)	14.5	
C.Cash flows from financing activities	-11.8	Decrease in interest-bearing debts 13.9 Bond redemption -20.1 Dividends -5.5
D.Net increase/decrease in cash and cash equivalents	1.8	
E.Cash and cash equivalents at end of September 2008	26.9	

Business Highlight

— Financial Results for the First Half FY08 —

Chemicals and Plastics

- ◆ Ube Industries, Mitsubishi Corporation, and Federation of Tomoe Fertilizer Sales Cooperative Associations established “MC FERTICOM Co., Ltd.” to manufacture and sell fertilizers. (August 2008)

Specialty Chemicals and Products

- ◆ Ube Industries made a decision to construct new facilities in Thailand for 1,6 hexanediol, with work planned from the beginning of 2011. (September 2008)

Cement and Construction Materials

- ◆ “Clear Water[®]”, Ube Material Industries, Ltd.'s seawater magnesia product for improving environment, proved effective for improving water and sediment quality in rivers and lakes. (April 2008)

Machinery and Metal Products

- ◆ Ube Machinery Co., Ltd. launched “MDS-V Series”, next-generation all electric injection molding machine. (June 2008)

FY08 Consolidated Forecasts

Scope of Consolidation

-FY08 Consolidated Forecasts-

Item	End of Mar. 2008 (A)	End of Mar. 2009 (B)	Change (B) - (A)	Notes
Number of consolidated subsidiaries	67	66	-1	Newly Included 1 Newly Excluded 2
Number of equity method affiliates	28	28	0	Newly Included - None Newly Excluded - None
Total	95	94	-1	

Major P/L & B/S Items

-FY08 Consolidated Forecasts-

(Billion Yen)

Item	FY07 (A)	FY08 (B)	Change (B) - (A)
Sales	704.2	769.0	64.8
Operating income	55.9	53.0	-2.9
Ordinary income	46.7	44.0	-2.7
Net income	24.0	25.0	1.0
Item	End of Mar. 2008 (A)	End of Mar. 2009 (B)	Change (B) - (A)
Total assets	720.8	773.0	52.2
Debt	300.7	287.0	-13.7
Net Debt	275.6	263.0	-12.6
Equity capital * 1	193.8	201.0	7.2

* 1: Equity capital = Net assets – Share subscription rights – Minority interests

Environmental Factors

-FY08 Consolidated Forecasts-

(Billion Yen)

Item			FY07 (A)	FY08 (B)	Change (B) - (A)	Impacts on Consolidated OP Income
Exchange Rate		Yen/\$	114.3	105.6 [105.0]	-8.7	0.5
Material Price	(CIF) Naphtha (Domestic)	\$/t	748	872 [705]	124	-2.5
		Yen/KL	61,500	65,900 [53,400]	4,400	(-1.0)
	Benzene(Average of US and Euro Contract Price)	\$/t	1,080	1,103 [1,010]	23	-1.2 (3.7)
	Australian Coal (CIF)	\$/t	96.5	159.5 [148.5]	63.0	-17.7
		Yen/t	11,030	16,843 [15,593]	5,813	(-14.2)

[]:numbers for the second half of the period only

():including impacts on fluctuation of exchange rate

Sales by Segment

-FY08 Consolidated Forecasts-

(Billion Yen)

Segment	FY07 (A)	FY08 (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	233.2	246.5	13.3	Synthetic rubber 12.1
Specialty Chemicals & Products	93.5	105.8	12.3	Specialty products 8.3 Fine chemicals and Pharmaceuticals 3.0
Cement & Construction Materials	207.0	225.0	18.0	Cement and Ready-mixed concrete 4.2 Quicklime and Construction materials related products 10.9
Machinery & Metal Products	120.3	120.0	-0.3	Aluminum wheels -4.5 Machinery 4.2
Energy & Environment	46.4	68.0	21.6	Coal 20.4
Others	3.6	3.7	0.1	
Total	704.2	769.0	64.8	Increased by 9.2%

Operating Income by Segment

-FY08 Consolidated Forecasts-

(Billion Yen)

Segment	FY07 (A)	FY08 (B)	Change (B) - (A)	Major Factors
Chemicals & Plastics	18.6	15.6	-3.0	Caprolactam chain -5.9 Synthetic rubber 2.9
Specialty Chemicals & Products	14.1	14.1	0.0	Specialty products 0.2 Fine chemicals and Pharmaceuticals -0.2
Cement & Construction Materials	10.8	10.0	-0.8	Cement and Ready-mixed concrete -1.4 Construction materials related products 0.4
Machinery & Metal Products	6.6	5.1	-1.5	Machinery -0.8 Aluminum wheels -0.7
Energy & Environment	4.6	7.4	2.8	Coal 2.7
Others	0.8	0.8	0.0	
Total	55.9	53.0	-2.9	Decreased by 5.2%

Analysis of Operating Income

-FY08 Consolidated Forecasts-

(Billion Yen)

Segment	Operating Income							
	FY07 (A)	FY08 (B)	Change (B) - (A)	Price *1	Sales Volume	Fixed Cost	Change in Regulation	Others
Chemicals & Plastics	18.6	15.6	-3.0	-0.1	-1.4	-1.3	-1.1	*2 0.9
Specialty Chemicals & Products	14.1	14.1	0.0	-4.6	8.2	-3.5	-0.3	0.1
Cement & Construction Materials	10.8	10.0	-0.8	2.0	-0.4	-0.8	-1.0	-0.7
Machinery & Metal Products	6.6	5.1	-1.5	-0.9	-0.7	-0.5	-0.2	*3 0.7
Energy & Environment	4.6	7.4	2.8	1.5	0.7	-0.3	0.0	0.8
Others	0.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0
Total	55.9	53.0	-2.9	-2.0	6.4	-6.3	-2.6	1.7

* 1 : Including both selling and purchase price variance

* 2 : Effect of exchanges conversion -0.7 inventory valuation changes 1.1

* 3 : Marginal profit on machinery products 0.2

(Reference) Consolidated Forecasts for FY08

— Net Sales (Comparisons for forecasts at the beginning of the period, by segment) —

(Billion Yen)

Segment	Forecasts at the beginning of the period (A)	Revised forecasts (B)	Change (B) - (A)	Major Factors
	5/9/08 Publication	10/29/08 Publication		
Chemicals & Plastics	254.0	246.5	-7.5	Caprolactam chain -15.0 Synthetic rubber 7.5
Specialty Chemicals & Products	104.5	105.8	1.3	Fine chemicals and Pharmaceuticals 2.3 Specialty products -0.3
Cement & Construction Materials	220.5	225.0	4.5	Cement and Ready-mixed concrete -1.3 Quicklime and Construction materials related products 5.8
Machinery & Metal Products	124.7	120.0	-4.7	Aluminum wheels -4.5 Machinery -0.2
Energy & Environment	58.7	68.0	9.3	Coal 8.6
Others	3.6	3.7	0.1	
Total	766.0	769.0	3.0	Increased by 0.4%

(Reference) Consolidated Forecasts for FY08

— Operating Income (Comparisons for forecasts at the beginning of the period, by segment) —

(Billion Yen)

Segment	Forecasts at the beginning of the period (A)	Revised forecasts (B)	Change (B) - (A)	Major Factors
	5/9/08 Publication	10/29/08 Publication		
Chemicals & Plastics	15.6	15.6	0.0	Caprolactam chain -2.5 Synthetic rubber 2.5
Specialty Chemicals & Products	15.1	14.1	-1.0	Specialty products -2.1 Fine chemicals and Pharmaceuticals 1.1
Cement & Construction Materials	10.6	10.0	-0.6	Cement and Ready-mixed concrete -0.8
Machinery & Metal Products	6.1	5.1	-1.0	Aluminum wheels -1.1 Machinery 0.1
Energy & Environment	4.9	7.4	2.5	Coal 2.3
Others	0.7	0.8	0.1	
Total	53.0	53.0	0.0	

Management Indices

-FY08 Consolidated Forecasts-

Item	Unit	FY07 Actual (A)	FY08 Forecast (B)	Change (B) - (A)
Net D/E Ratio * 1	Times	1.4	1.3	-0.1
Equity Ratio	%	26.9	26.0	-0.9
Operating Margin	%	7.9	6.9	-1.0
Return on Assets (ROA) * 2	%	8.2	7.3	-0.9
Return on Equity (ROE)	%	13.1	12.7	-0.4

*1 Net debt (Debt – Cash and cash equivalents)/Equity capital

*2 (Operating income + Interest and dividend income + Equity income of unconsolidated subsidiaries and affiliates)/Total assets

Appendix

Financial Results for the First Half FY08

Achievement of major consolidated subsidiaries

(Billion Yen)

Company Name		Business	Sales FY08 2Q	Operating income FY08 2Q
Chemicals & Plastics	Thai Caprolactam Public Co., Ltd.	Manufacture and sales of caprolactam	24.4	↑
	Ube Chemical Europe, S.A.	Manufacture and sales of caprolactam	17.5	↑
	Thai Synthetic Rubbers Co., Ltd.	Manufacture and sales of polybutadiene	8.8	↑
	Ube Engineering Plastics, S.A.	Manufacture and sales of polyamide resin	7.0	→
	Ube Ammonia Industry, Ltd.	Manufacture and sales of ammonia	6.5	↓
	Ube Film, Ltd.	Manufacture and sales of plastic-film products	5.7	→
Specialty Chemicals & Products	Ube-Nitto Kasei Co., Ltd.	Manufacture and sales of electronics & IT materials, FRP, industrial materials and fiber-reinforced plastics	7.3	↓
Cement & Construction Materials	Ube Construction Materials Sales Co., Ltd.	Sales of construction materials	21.9	→
	Ube Material Industries, Ltd.	Manufacture and sales of seawater magnesia, magnesium hydroxide, quicklime, slaked lime, and others	23.4	↑
	Ube Shipping & Logistics, Ltd.	Domestic shipping, harbor transportation, shipping-agent services and customs clearing	7.7	→
	Kanto Ube Concrete Ind., Ltd.	Manufacture and sales of ready-mixed concrete	5.9	↓
Machinery & Metal Products	Ube Machinery Corporation, Ltd.	Manufacture and sales of industrial machinery and bridges	17.7	↓
	Ube Steel Co., Ltd.	Manufacture and sales of cast iron, steel products and rolled steel billets	18.5	→
	Ube Techno Eng. Co., Ltd.	Service and maintenance of industrial machinery and equipment	5.7	↓
	Ube Automotive North America Sarnia Plant, Inc.	Manufacture and sales of aluminum automobile wheels	4.2	→
Energy & Environment	Ube C&A Co., Ltd.	Sales of imported steaming coal from Australia, etc.	15.9	↑

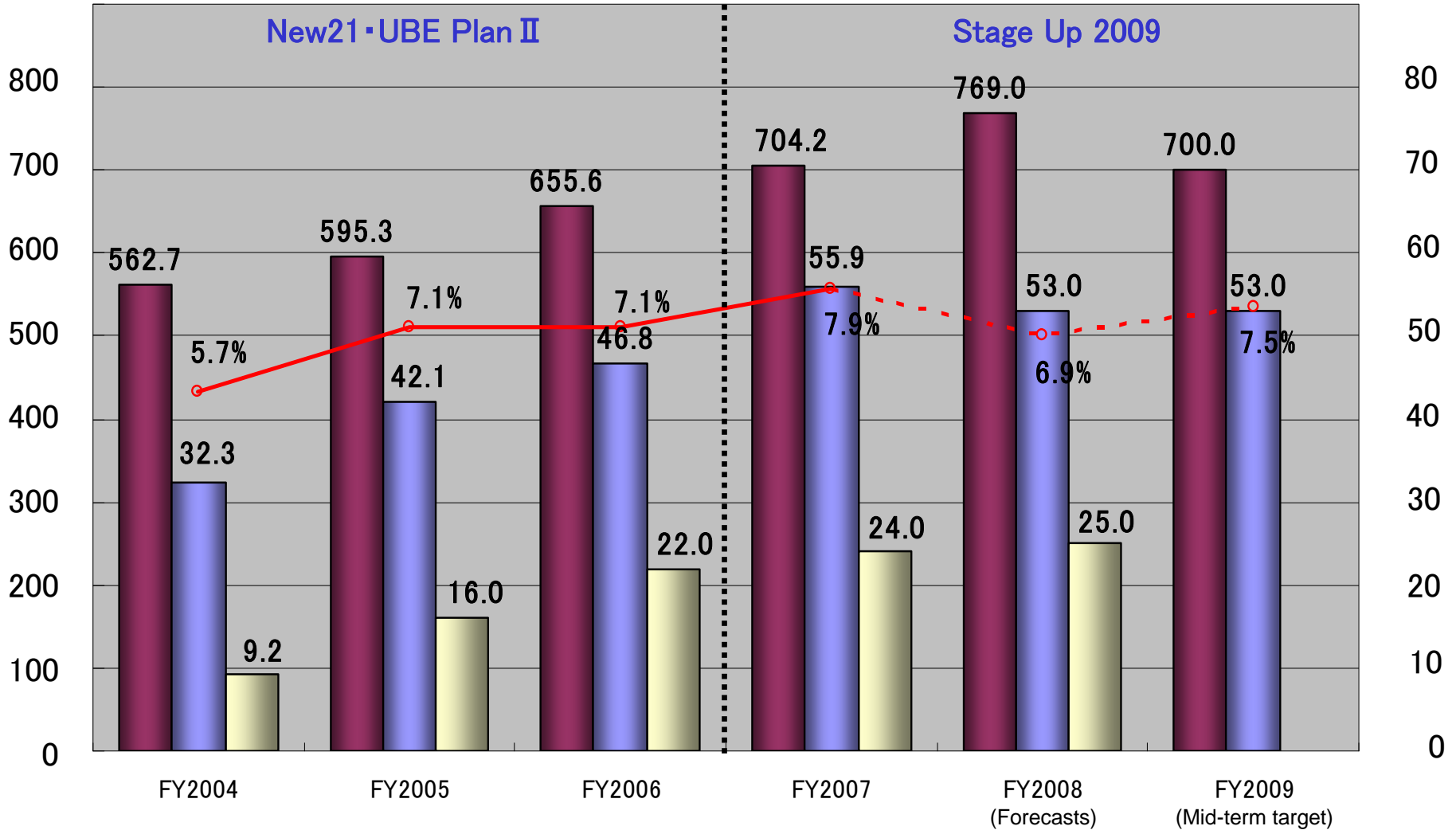
Note: ↑ ↓ :Represent an increase or decrease of over 100 million JPY

Change in Performance

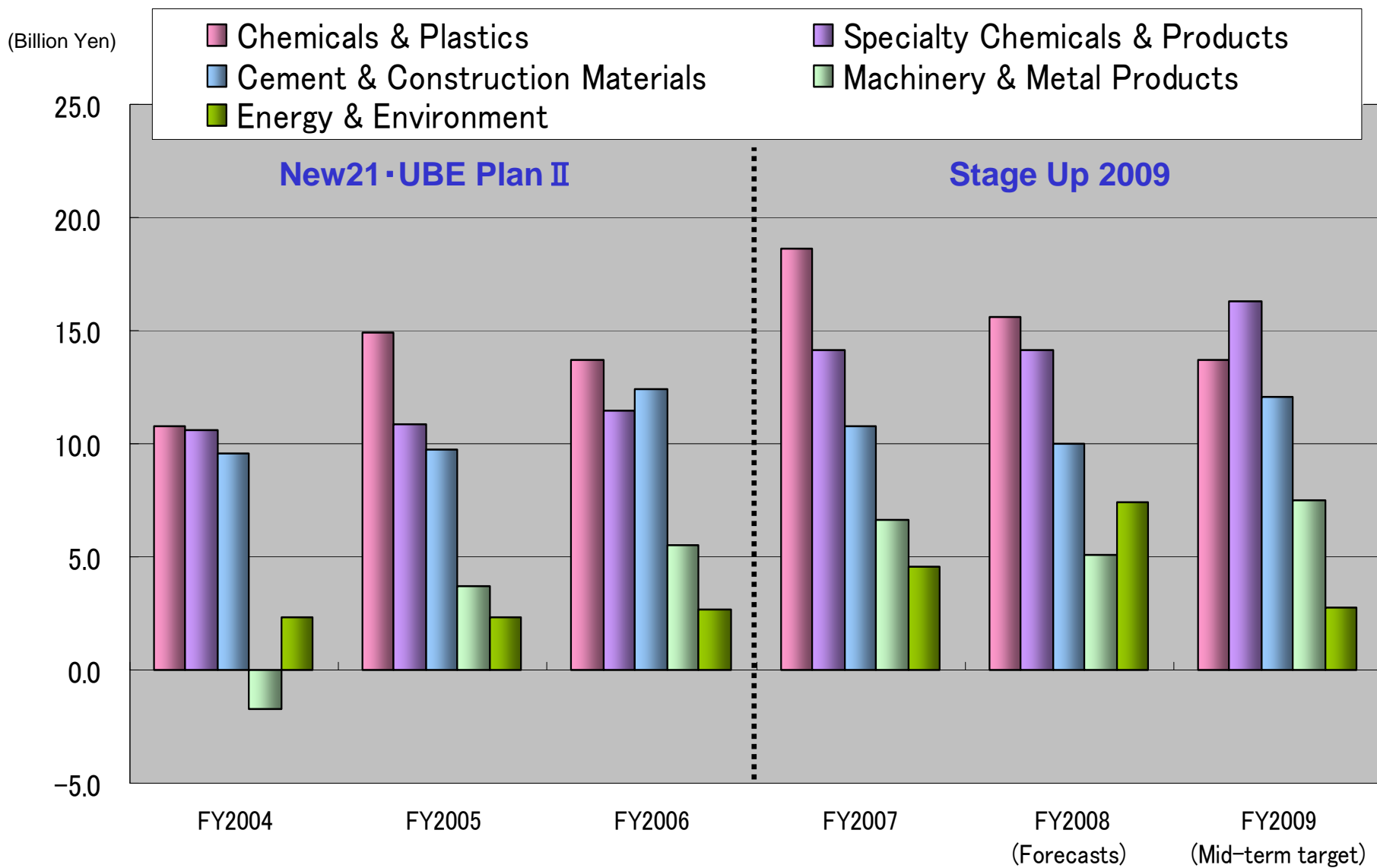
Sales
(Billion Yen)

Income
(Billion Yen)

■ Sales
 ■ Operating income
 ■ Net income
 —○— Operating margin



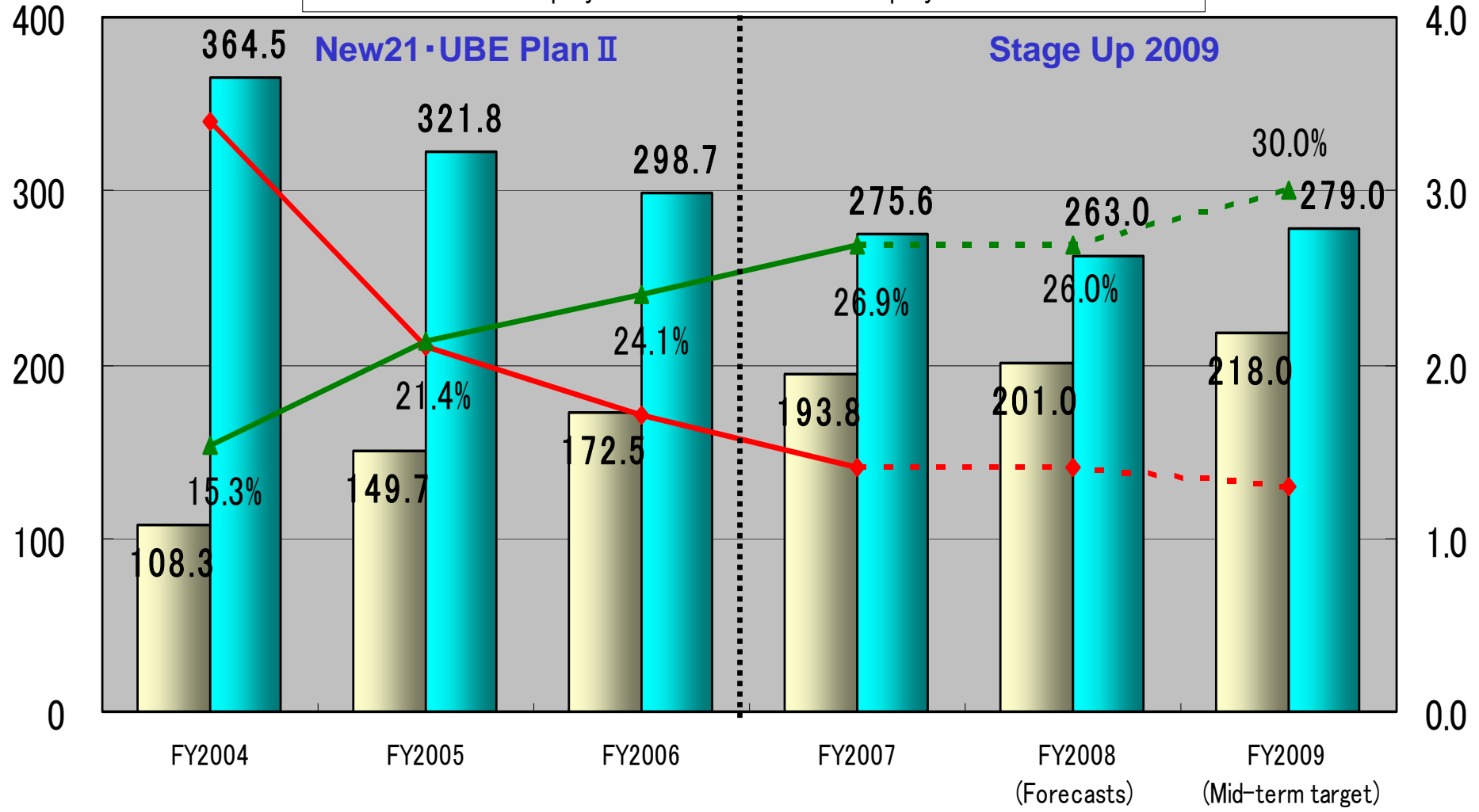
Changes in Operating Income by Segment



Changes in Financial Condition

Equity Capital
Net Interest-bearing Debts
(Billion Yen)

Net Debt / Equity Ratio
(Times)





This presentation material contains forward-looking statements concerning UBE’s future plans, strategies, and performance. These forward-looking statements are not historical facts; rather, they represent assumptions and beliefs based on economic, financial, and competitive data currently available. Forward-looking statements include information preceded by, followed by, or that include the words “project”, “predicts”, “expects”, “forecasts”, “could”, “may”, or similar expressions. Furthermore, they are subject to a number of risks and uncertainties which include, but are not limited to, economic conditions, fierce competition in this industry, customer demand, tax rules and regulations. Readers of this presentation material are cautioned not to place undue reliance on these forward-looking statements. Actual results may differ materially from expectations.