

Consolidated Financial Report for the Fiscal Year Ended March 31, 2007

Ube Industries, Ltd.

1. Consolidated Companies

Fiscal period	Fiscal year ended	Fiscal year ended	Variance
	March 31, 2006	March 31, 2007	
Number of companies			
Consolidated companies	66	68	2
Companies using equity method accounting	35	32	-3
Total	101	100	-1

2. Consolidated Business Results for Fiscal Year Ended March 31, 2007
(April 1, 2006 to March 31, 2007)
(1) Results of Operations

(Billions of yen – except per share data)

	Fiscal year ended March 31, 2006	Fiscal year ended March 31, 2007	Variance
Net sales	595.3	655.6	60.2
Operating income	42.1	46.8	4.6
Net interest expense	-6.2	-6.4	-0.2
Equity in income of affiliates	1.1	1.8	0.7
Other non-operating income	-3.8	0.8	4.6 *1
Ordinary income	33.2	43.1	9.9
Extraordinary income	0.7	5.9 *2	5.2
Extraordinary losses	-7.3	-13.1 *3	-5.7
Net income	16.0	22.0	6.0

Net income per share	16.83 yen	21.88 yen	5.05 yen
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*1 Currency gains: 3.7 billion yen

*2 Details of extraordinary income (5.9 billion yen) for Fiscal year ended March 31, 2007

Gain on contribution of securities to retirement benefit trust: 2.9 billion yen

Other losses: 3.0 billion yen

*3 Details of extraordinary losses (-13.1 billion yen) for Fiscal year ended March 31, 2007

Impairment loss: -5.7 billion yen

Loss on disposal of PP & E: -2.9 billion yen

Loss on valuation of inventories: -2.0 billion yen

Other losses: -2.4 billion yen

Net Sales by Segment

(Billions of yen)

	Fiscal year ended March 31, 2006	Fiscal year ended March 31, 2007	Variance	Comments
Chemicals & Plastics	175.8	210.4	34.5	- Increase in sales volume and sales price of caprolactam, synthetic rubber and polyamide resin
Specialty chemicals & products	89.2	88.3	-0.9	- Withdrawal from aluminum capacitor foil business - Increase in sales volume of specialty products, etc.
Cement & construction materials	192.4	207.8	15.4	- Increase in net sales of cement and ready-mix concrete - Increase in sales volume and sales price of calcia and magnesia - Increase in sales volume of inorganic specialty products, etc.
Machinery & metal products	102.4	114.2	11.7	- Increase in shipments of molding machines and industrial machinery, etc.
Energy & environment	31.4	30.9	-0.5	
Other	3.8	3.8	0	
Total	595.3	655.6	60.2	

Operating Income by Segment

(Billions of yen)

	Fiscal year ended March 31, 2006	Fiscal year ended March 31, 2007	Variance	Comments
Chemicals & Plastics	14.9	13.7	-1.1	- Narrowing of spread (between selling prices and cost of raw materials) - Rise in energy costs, etc.
Specialty chemicals & products	10.9	11.5	0.5	- Increase in sales volume of specialty products, etc.
Cement & construction materials	9.7	12.4	2.6	- Rise in energy costs - Increase in use of waste (for cost reduction) - Increase in net sales of calcia, magnesia and inorganic specialty products, etc.
Machinery & metal products	3.7	5.5	1.8	- Increase in shipments of molding machines and industry machinery - Higher losses recorded by North American aluminum wheel business, etc.
Energy & environment	2.3	2.7	0.3	- Increase in volume of coal storage by contract - Cost reductions for independent power producer business, etc.
Other	0.5	0.7	0.1	
Total	42.1	46.8	4.6	

(2) Financial Condition

(Billions of yen)

Assets	Fiscal year ended March 31, 2006	Fiscal year ended March 31, 2007	Variance
Cash and cash equivalents	20.6	21.6	1.0
Account receivable	147.8	161.5	13.7
Inventories	81.4	79.1	-2.2
Property, plant and equipment	357.5	359.8	2.3
Intangible fixed assets	4.8	4.0	-0.7
Investment securities	52.4	43.2	-9.1
Deferred tax assets	11.4	13.5	2.1
Loans	2.7	3.3	0.6
Investments and other assets	21.5	28.2	6.7
Total assets	700.4	714.8	14.4

Liabilities	Fiscal year ended March 31, 2006	Fiscal year ended March 31, 2007	Variance
Notes and accounts payable-trade	97.0	104.3	7.2
Interest-bearing liabilities	341.9	320.0	-21.9
Other liabilities	93.0	95.3	2.2
Minority interests	18.6	-	-18.6
Net assets	149.7	195.1	45.4
(Stockholders' equity)	(139.0)	(158.0)	(18.9)
(Valuation and currency conversion differences)	(10.6)	(14.5)	(3.8)
(Share acquisition rights)	-	(0)	(0)
(Minority interests)	-	(22.5)	(22.5)
Total liabilities and Net assets	700.4	714.8	14.4

(3) Cash Flows

(Billions of yen)

	Fiscal year ended March 31, 2007	(Ref.)Fiscal year ended March 31, 2006
Cash flows from operating activities	54.3	51.8
Cash flows from investing activities	-27.1	-22.5
Cash flows from financing activities	-27.5	-42.9
(Interest-bearing liabilities)	(-24.4)	(-60.7)
(Stock issue)	(-)	(19.6)
(Other)	(-3.1)	(-1.7)
Cash and cash equivalents at end of period	21.2	20.0

**3.Consolidated Earnings Forecast for the Year Ending March 31, 2008
(April 1, 2007 to March 31, 2008)**

(Billions of yen – except per share data)

	Fiscal year ended March 31, 2007	Fiscal year ending March 31, 2008 (forecast)		Variance	
			*1		*1
Net sales	655.6	668.0		12.4	
Operating income	46.8	45.0	48.3	-1.8	1.5
Ordinary income	43.1	37.0	40.3	-6.1	-2.8
Extraordinary losses	-7.1	-2.0		5.1	
Net income	22.0	21.0	23.0	-1.0	1.0

Net income per share	21.88 yen	20.87 yen	-1.01 yen
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*1 Not accounting for changes in depreciation method

Net Sales by Segment

(Billions of yen)

	Fiscal year ended March 31, 2007	Fiscal year ending March 31, 2008	Variance	Comments
Chemicals & Plastics	210.4	212.0	1.6	- Increase in sales volume of polyamide resin, etc.
Specialty chemicals & products	88.3	95.0	6.7	- Increase in sales volume of specialty products, etc.
Cement & construction materials	207.8	208.0	0.2	
Machinery & metal products	114.2	115.0	0.8	
Energy & environment	30.9	34.5	3.6	- Increase in net sales of coal, etc.
Other	3.8	3.5	-0.3	
Total	655.6	668.0	12.4	

*1 Not accounting for changes in depreciation method

Operating Income by Segment

(Billions of yen)

	Fiscal year ended March 31, 2007	Fiscal year ending March 31, 2008		Variance		Comments
			*1		*1	
Chemicals & Plastics	13.7	11.7	12.8	-2.0	-0.9	- Decrease in difference of gain/loss on inventory valuation, etc.
Specialty chemicals & products	11.5	13.3	13.8	1.8	2.3	- Increase in sales volume of specialty products, fine chemicals and pharmaceuticals, etc.
Cement & construction materials	12.4	11.4	12.7	-1.0	0.3	- Rise in energy costs - Increase in use of waste (for cost reduction) - Increase in sales volume of inorganic specialty products, etc.
Machinery & metal products	5.5	5.1	5.4	-0.4	-0.1	- Decrease in net sales of molding machines - Cost reductions for North American aluminum wheel business, etc.
Energy & environment	2.7	2.9	3.0	0.2	0.3	- Increase in volume of coal storage by contract, etc.
Other	0.7	0.6	0.6	-0.1	-0.1	
Total	46.8	45.0	48.3	-1.8	1.5	

*1 Not accounting for changes in depreciation method

(Reference) Consolidated Key Indicators

(Billions of yen - except where noted)

	Fiscal year ended March 31, 2006	Fiscal year ended March 31, 2007	Fiscal year ending March 31, 2008 (forecast)	
				*1
Capital investment	24.7	31.9	38.0	
Depreciation and amortization	30.8	30.9	34.0	30.7
Research and development expenses	12.4	13.0	14.0	
Adjusted operating income *2	44.9	49.8	47.0	50.3
Interest-bearing liabilities	341.9	320.0	315.0	
Net interest-bearing liabilities	321.8	298.7	293.0	
Equity capital	149.7	172.5	187.0	
Total assets	700.4	714.8	730.0	
Net D/E ratio (times)	2.1	1.7	1.6	
Equity ratio(%)	21.4	24.1	25.6	
Ratio of operating income to net sales (%)	7.1	7.1	6.7	7.2
Return on assets – ROA (%) *3	6.4	7.0	6.5	
Return on equity – ROE (%)	12.4	13.7	11.7	
Number of employees	10,673	10,833	11,270	

*1 Not accounting for changes in depreciation method

*2 Operating income + interest and dividend income + equity in income of affiliates

*3 Adjusted operating income / total assets