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Consolidated Results for the First Quarter of Fiscal 2003

On August 12, 2003, Ube Industries, Ltd. announced its consolidated results for the first quarter of fiscal 2003, ended June 30, 2003.

1. Consolidated Performance Results for the First Quarter of Fiscal 2003

	The First Quarter of Fiscal 2003	The First Half of Fiscal 2002	Fiscal 2002
	(Unit: million yen)		
Net Sales	¥117,697	¥242,602	¥513,535
Operating Income	¥1,094	¥5,391	¥26,399
Ordinary Income (Loss)	(¥824)	¥1,487	¥16,052
Net Income (Loss)	(¥778)	¥2,608	¥8,120

	The First Quarter of Fiscal 2003	The First Half of Fiscal 2002	Fiscal 2002
	(Unit: yen)		
Per Share:			
Net Income (Loss)			
Basic	(¥0.93)	¥3.11	¥9.61
Diluted	-	¥2.97	¥8.99

2. Qualitative Information on the Results for the First Quarter of Fiscal 2003

During the first quarter of the fiscal 2003, covering April 1 through June 30, 2003, the business environment remained severe due to the factors such as high level of raw material prices, yet decrease in domestic demand for cement, and temporarily weakened general demands in Asia caused by SARS.

Under these circumstances, the company posted consolidated sales of ¥117.7 billion, operating income of ¥1.1 billion, ordinary loss of ¥0.8 billion, and net loss of ¥0.8 billion for the first quarter of fiscal 2003.

The business performance of the company for the first quarter of a fiscal year tends to become lower compared to those for the other quarters of a fiscal year due to seasonal factors. These factors include the effects of the regular maintenance of factories conducted mainly during the first quarter of a fiscal year in the Chemicals & Plastics and the Specialty Chemicals & Products segments, the concentration of demand for cement in the second half of a fiscal year, and the tendency that the major sales of machinery are posted at the end of a fiscal year.

Overview in each segment for this period is as follows.

Chemicals & Plastics

Consolidated sales for this segment resulted in ¥36.8 billion. Shipments of caprolactam and nylon were steady. However, increased maintenance costs and lower productivity during the regular

maintenance period resulted in the operating loss of ¥0.6 billion. Sales and operating loss were both along the line of the company's original performance projections.

Specialty Chemicals & Products

Consolidated sales and operating income in this segment were ¥13.1 billion and ¥0.7 billion, respectively. Both were along the line of the company's original performance projections.

Energy & Environment

Consolidated sales and operating income in this segment were ¥3.8 billion and ¥0.2 billion, respectively. Both were along the line of the company's original performance projections.

Construction Materials

Consolidated sales and operating income in this segment were ¥41.9 billion and ¥1.3 billion, respectively. Although the domestic demand for cement decreased more than the company's expectation, export of cement was strong. As a result, sales and operating income were both along the line of the company's original performance projections.

Machinery & Metal Products

Consolidated sales in this segment were ¥20.6 billion and they were along the line of the company's original performance projection. In addition to the seasonal factors, temporary increase in costs and the decreased profit in export from Canada to the U.S. due to the appreciation of Canadian dollar resulted in the operating loss of ¥0.8 billion, which was slightly lower than the company's original projection.

Other Businesses

Consolidated sales and operating income in this segment were ¥1.3 billion and ¥0.1 billion, respectively. Both were along the line of the company's original performance projections.

3. Outlook for Fiscal 2003

The company's performance projections for the fiscal 2003 were revised as follows.

	(Unit: million yen)	
	The First Half of Fiscal 2003	Fiscal 2003
Net Sales	¥250,000	¥530,000
Operating Income	¥7,000	¥29,000
Ordinary Income	¥1,000	¥18,000
Net Income	¥0	¥10,000

	(Unit: yen)	
	The First Half of Fiscal 2003	Fiscal 2003
Per Share:		
Net Income		
Basic	¥0.00	¥11.66

Qualitative Information on the Outlook for Fiscal 2003

At the directors' meeting held on April 24, 2003, the company decided to convert Ube-Nitto Kasei Co., Ltd. (UNK), an equity method affiliate, to a 100% subsidiary through stock swap on October 1, 2003, subject to the approval at the general meeting of shareholders of UNK. On June 27, 2003, the

Stock Swap Agreement was approved at the general meeting of shareholders of UNK.

The performance projections announced by the company on May 16, 2003 did not include the impact from the conversion of UNK to a wholly owned subsidiary. The company's performance projection was revised at this time only by adding the impact from the conversion of UNK and no other change was made.

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.